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SELA OFFICIAL ON DEBT PROPOSAL, NEED FOR ACTION

PA312138 Mexico City EL SOL DE MEXICO in Spanish 28 May 84 pp 1, 10

[By Roberto Aguilar]

[Text] In response to the manipulation of interest rates by the United States, which for many years has raised the rates artificially, the countries of the world have decided to put an end to this situation "because it is harmful to all when the United States bases its well-being upon the ruin of other nations," said Sebastian Alegrett, executive secretary of the Latin American Economic System [SELA].

Because of this, he said, the request by four heads of state for unification of forces in the negotiation of the Latin American foreign debt is a fundamental, historic step.

"I do not think that Latin America is in a comfortable enough position to waste this great opportunity to act jointly so that, within the common framework of a Latin American front, the circumstances of each country can be managed in a better way."

Alegrett said that the presidents' proposal -- Mexico included -- is increasingly gaining support and even though the region is characterized by differences regarding the political will to act in this way, everything points toward a very important collective action of broad scope.

Sebastian Alegrett arrived in Mexico to meet with the secretaries of foreign relations and public credit, Bernardo Sepulveda and Jesus Silva-Herzog, to acquire a more exact understanding of everything related to the proposal, because, he said, not only is the debt problem to be overcome, but also the great additional disadvantage of the continued increase in the interest rates, which our countries can no longer stand for.

Alegrett denied that the proposal is a challenge to the great creditors, because, he said, Latin America's action is very solid and responsible, and this common decision strengthens our position from any point of view.

He said that the joint action does not weaken but facilitates the autonomy that each country wants for the management of these problems.

Speaking of the future of regional cooperation organizations, under the current economic circumstances, he said that it has been confirmed that there can be no isolated response to practically any of the problems experienced by the Latin American countries, but that what is urgently needed is a solid response within the framework of a common action.

Regarding the U.S. attitude, Alegrett said that all the nations are aware that what that country has done in the past few years is to absorb all of the world surplus to finance itself at the expense of the rest of the world -- not only Latin America, but also Europe. Now all of these countries are willing to stop this situation, he said.

Finally, Alegrett said that at the meeting in Havana -- where SELA discussed the coordination of the countries for the next UNIDO [United Nations Industrial Development Organization] meeting -- the 25 member countries agreed to make joint statements for long-term industrial development, because in these years, he said, the Latin American countries — weighed down by the debt issue -- have limited their actions to short-term actions, but from today on the situation will change.

ALFONSIN SPEAKS AT ATOMIC ENERGY DAY CELEBRATION

PY311925 Buenos Aires Domestic Service in Spanish 1600 GMT 31 May 84

[Excerpts] President Raul Alfonsin today presided over a ceremony to commemorate Atomic Energy Day, which was held at the San Martin Cultural Center. CNEA [National Atomic Energy Commission] President Alberto Constantini, Buenos Aires Mayor Julio Cesar Saguier, and other high-ranking officials were in attendance. Engineer Constantini opened the ceremony by highlighting its importance. Dr Raul Alfonsin delivered the closing speech. Here are his words:

[Begin Alfonsin recording] Exactly 20 days ago, I had the pleasure to visit Atucha, one of the CNEA plants. During my visit, I noticed in all the professionals and technicians who guided me and in all the scientists, engineers, administrative employees, and workers who listened to my speech the same passion for their work, the same faith in their contribution to the country's activation, the same fervent desire to continue with their work, and the same love for this 34-year-old institution. On that occasion, I made a firm decision to participate with you in this ceremony in order to express to you my sincere congratulations for your work, and to express my promise, as president of the nation, to support your efforts in order to ensure the continuation of your work.

During our party's electoral campaign and in the government plan I disclosed when taking over the presidency on 10 December, 1983, we established the objective of attaining real national sovereignty through the promotion of scientific and technological activities, as they are the main elements that enable a country to excercise its decisionmaking power and make achievements in all sectors. I am convinced that only after our country obtains this power will it be able to adopt the measures necessary to improve the economy, increase the standard of living of its people, and contribute to the general well-being, not only of its people but also of our brotherly American countries.

On such an important day for you all, I express my wishes for this institution that it continue with its brilliant work in order to contribute to the economic and social development of the Republic. [end recording]

LETTER OF UNDERSTANDING SIGNED WITH POLAND

PY311456 Buenos Aires TELAM in Spanish 0414 GMT 31 May 84

[Text] Buenos Aires, 30 May (TELAM) -- A document on the negotiations conducted to strengthen and increase trade between Argentina and Poland was signed today at the end of the fifth meeting of the Argentine-Polish Trade Commission in Buenos Aires. The participants in the meeting agreed to hold another meeting, this time in Warsaw, in approximately 30 days.

The letter of understanding was signed by Argentine Trade Secretary Ricardo Campero and Polish Foreign Trade Minister Tadeusz Nestorowicz, who agreed on the need to sign long-term agreements for the provision of raw materials and their byproducts.

In this regard, Argentina expressed interest in continuing to buy coal for the Argentine Iron and Steel Joint Association (SOMISA) plant, while the visiting delegation expressed the possibility of buying products such as wheat, soya, and sunflower, linseed, and soya oil on a permanent and stable basis. The corresponding negotiations will be conducted with the National Grain Board shortly.

Campero and Nestorowicz agreed to hold the sixth meeting of the bilateral commission in Warsaw at a date to be set later.

ARGUINDEGUI DECORATES ROK ARMY CHIEF OF STAFF

PY311524 Buenos Aires TELAM in Spanish 0423 GMT 31 May 84

[Excerpt] Buenos Aires, 30 May (TELAM) -- Argentine Army Chief of Staff General Jorge Hugo Arguindegui and his South Korean counterpart, General Chong Ho-yong, today noted the need to strengthen friendly ties between the Argentine and Korean Armies through a positive exchange of information and experiences. The two officers made this statement during a ceremony held tonight at the General San Martin Honor Room of the Libertador building, seat of the Army General Staff, during which Gen Arguindegui decorated the visiting officer with the Order of May for military merit, grade Grand Cross.

ACCORD REPORTED NEAR ON DEBT INTEREST ARREARS

WA291115 Rome IPS in English 29 May 84

[By Ignacio Pena Salazar]

[Text] Buenos Aires, May 29 (IPS) -- Argentina is close to an accord with foreign banks on late interest payments on its $43 billion foreign debt, Argentine financial dailies reported today. Paying that interest to private creditors may be the first step toward an overall agreement on renegotiating the foreign debt, according to economic analysts.

The next step would be Argentina's signature on a letter of intent to the International Monetary Fund (IMF), a key element in most Third World debtors' refinancing arrangements. But that step looks increasingly unlikely in Argentina's case, particularly due to plans for a summit of Latin American foreign and economic ministers, which may take place next month. The planned conference is on the initiative of the presidents of Argentina, Brazil, Colombia, and Venezuela, who signed a joint statement May 19 calling for joint action on the Latin American foreign debts.

Last night, Argentine President Raul Alfonsin met at Olivos, his home on the outskirts of Buenos Aires, with Economy Minister Bernardo Grinspun, Foreign Minister Dante Caputo, and U.S. Ambassador to Argentina Frank Ortiz. There was no official report on the talks, but observers here note that a similar meeting took place several days before Brazil, Colombia, Mexico, and Venezuela agreed on March 31 to provide Argentina with funds to meet debt arrears. That operation was supported by the Treasury Department and private U.S. banks.

William Rhodes, who heads a 320-bank committee representing Argentina's creditors, visited Buenos Aires last week. Rhodes met several times with Grinspun and Argentine Central Bank Director Enrique Garcia Vazquez, and dined May 24 with Alfonsin at Olivos.

Argentina's debt proposal, now before the creditors, is for payment of $1.35 billion on debts which fall due by June 30. That sum includes $500 million in unpaid interest which fell due in the first three months of this year, $750 million of a bridge loan granted to Argentina, and $100 million which the country still owes to the other Latin American nations for the March "bail out."

Alfonsin's administration has reportedly proposed making the $1.35 billion payment with $1 billion in credit which U.S. banks granted Argentina under the former military government and then did not disburse, together with $350 million from Argentine reserves. Argentina is requesting a one-point reduction in the interest rate on the undelivered U.S. loan, according to unofficial reports.

Some sources report that the creditor banks offered a counterproposal -- disbursing the $1 billion loan under the terms originally agreed, but providing an equal credit at a 1.8 percent interest rate to pay the former loan. Grinspun reportedly opposed that plan because it would mean administrative costs which he deems unnecessary, and the private banks are now studying reducing the interest rate on the original loan as Argentina requested.

Rhodes is expected to return to Buenos Aires within ten days with the creditor banks' response.

PERONIST PARTY FACES INTERNAL WRANGLES

WA221120 Rome IPS in English 22 May 84

[By Ignacio Pena Salazar]

[Text] Buenos Aires, May 22 (IPS) -- Argentine President Raul Alfonsin has launched his long awaited dialogue with the opposition, and found he has more in common with Peronist leader Maria Estela Martinez de Peron than many of her lieutenants do.

Yesterday's meeting between Isabel, as she is known, and Alfonsin was a formal affair, attended also by the entire Peronist Party leadership and by Peron's hand-picked "liaison committee." But it served to prove that there may be room for understanding between the government and the country's largest opposition party.

"Everything you do in the general interest of the country will have the support of the Peronist Party," former President Peron told Alfonsin. This was exactly what Alfonsin wanted to hear. As he continues his talks today with leaders of minor opposition parties, his overriding goal is to show outsiders -- especially the bankers with whom he is rengeotiating Argentina's foreign debt -- that he has massive support at home for his policies.

It was not at all what the Peronist Party's official leadership wanted to hear, but they could do nothing about it. Peron had forbidden them to open their mouths during yesterday's meeting.

Splits at the top of the Peronist Party, which was once the undisputed arbiter of Argentina's political life, have been evident ever since before last year's elections. The party's defeat in those elections at the hands of Alfonsin's Radical Party has only deepened them.

When Peron arrived here May 20, she opted for a "judgment of Solomon," taking both the elected party leadership and her ad hoc "liaison committee" with her to the meeting with Alfonsin. But at the meeting, only she and one of her liaison committee aides actually spoke, and the warm words they had for the government were like gall to the elected officials, who are closely tied to the trade union movement.

The leadership had drawn up a briefing paper for Peron, which she was given on her arrival, recommending that while she should not ignore government proposals for some sort of understanding, she should be clearly non-committal about them. Instead, the memo suggested, she should be clear about the Peronists' disagreements with Alfonsin, especially in such areas as his economic policy, the caution with which he is moving in investigations of human rights abuses under the former military government, and renegotiation of the foreign debt. Peron presumably read the briefing paper, but she paid no further attention to it. Not one word of its contents were mentioned at yesterday's meeting.

While Juan Peron's widow favors "patriotic agreements" with the government to deal with Argentina's economic crisis, the official leadership, with one eye on congressional elections in 1985 and 1986, are anxious to keep their distance. Too close an identification with Alfonsin will be an electoral drawback, they fear, if the country gets tired of him and starts looking for alternatives.

For the moment, though, Peron seems to be in control. She is due to meet privately with Alfonsin May 26 at the president's home for further conversations, which are expected to take yesterday's general declaration of understanding to a deeper and more detailed level.

Meanwhile, Peron has told her closest associates that she has no immediate plans to return permanently to Argentina from Madrid, where she has lived since she was exiled by the military government in 1978. She does, however, intend to make her visits to Buenos Aires more frequent.

NATIONAL BOARD INVESTIGATES YPF IRREGULARITIES

PY312225 Buenos Aires BUENOS AIRES HERALD in English 31 May 84 p 3

[Text] (NA-DYN) The National Administrative Board said yesterday it was investigating the smuggling of state-owned petroleum into Paraguay and Chile. In another case also involving the YPF state oil company, the Board was also looking into the poor productivity of the oil-fields in Caimancito, Salta, as a result of suspected dealings by the franchise-holders.

Board head Ricardo Molinas, who yesterday delivered relevant material to Federal Judge Nestor Blondi in his capacity as plaintiff in the two cases, also announced he was investigating monopoly charges against the United States oil giant Esso and the Anglo-Dutch company Shell. Molinas was further investigating other illegal sales of YPF oil, which in his opinion have artificially depressed the state company's production figures and contributed substantially to the YPF debt.

In another development in the petroleum sector, YPF President Hector Fioriolli yesterday revealed a "technical committee" had been set up to study the state company's 21 contracts with private firms and their final report was expected "within a few days." He also confirmed YPF's debt totalled 10 billion (thousand million) dollars in terms of both principal and interest but added the rescheduling of the debt was the concern of the Economy Ministry rather than the state company. Speaking in Congress, Fioriolli also informed his audience YPF accounted for 23.3 percent of government revenue, i.e. 6.6 percent of the Gross Domestic Product.

JUNTA MEMBERS BANNED FROM LEAVING COUNTRY

PY312227 Buenos Aires Domestic Service in Spanish 2000 GMT 31 May 84

[Text] San Martin Federal Judge Luis Cordoba has prohibited the members of the de facto government's first military junta, that is, Videla, Massera, and Agosti, as well as General Manuel Haroldo Pomar, from leaving the country. This information was disclosed today at the Ezeiza International Airport. This measure was prompted by the investigation being carried out by Federal Judge Luis Cordoba on the kidnapping of industrial technican Alfredo Giorgi, staff member of the National Institute for Industrial Technology.

JUDGE ORDERS TEN ARMY OFFICERS ARRESTED

PY312255 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2035 GMT 31 May 84

[Excerpts] Comodoro Rivadavia, 31 May (NA) -- Approximately ten Army officers on active duty were arrested by order of Federal Judge Nicasio Dibur in connection with an investigation under way regarding an irregularity in the supply of meat by a local meat packing plant to various Army units.

Spokesmen of the Defense Ministry today stated that the arrests had taken place as a consequence of an investigation started due to charges made by military personnel regarding irregularities in the supply of meat to various Army units by the Siracusa Meat Packing Plant, whose directors are also under arrest. Apparently the meat packing plant, or its directors, in agreement with military personnel, used to deliver less meat than that registered on the bill and of an inferior quality to that agreed on. The surplus was sold to private individuals and the illegal profit shared by the accomplice military officers.

ARRESTS, DAMAGES REPORTED IN TRANSPORT STRIKE

PY310149 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2049 GMT 30 May 84

[Excerpt] Cordoba, 30 May (NA) -- A yet-to-be-established number of arrests, four seriously damaged buses, and one injured person are the results of incidents which marked the first day of a 48-hour strike of local urban bus drivers which will continue tomorrow. The strike is being staged to press demands for better salaries.

Only the "12 de Octubre" bus company attempted to render emergency services using buses driven by their owners. Five of these buses were stoned, shot at, and hit with fire bombs, actions which prompted the police to make several arrests.

During the first day of this strike, organized by the Cordoba branch of the Motor Transport Workers Union (UTA), absenteeism was total with the resulting pronounced difficulties for people who needed transportation. Fire bombs totally destroyed one bus and severely damaged another, while a third was shot at several times by unknown individuals riding in a car. The fourth was stoned and its windows broken while the driver of the fifth vehicle was physically attacked and beaten by several individuals.

The strike was called at a general meeting on Tuesday, May 29, which went until well past midnight, belong to the UTA, in view of the failure of negotiations aimed at obtaining better salaries.

U.S. AMBASSADOR CORR TALKS WITH SILES ZUAZO

Mood Emphasized

PY312308 La Paz Cadena Panamericana in Spanish 2230 GMT 31 May 84

[Text] [In progress] ...that U.S. Ambassador Edwin Corr visited President Hernan Siles Zuazo this afternoon. He was evidently in bad humor and that bad humor was extended to the journalists when he spoke with them and they tried unsuccessfully to obtain some statements about this visit.

We want to review the fact, due to its importance, that last night at approximately 2025 [0025 GMT] Edwin Corr arrived at Government House. He hurriedly and very [words indistinct] entered the hall and then headed toward Siles Zuazo's office.

However, a meeting did not take place and he left immediately. Asked by journalists why he was visiting Government House, he stuttered that he had not come to see the president. The journalists persisted with their questions, and Corr repeated the answer. But, once inside his vehicle, he said: There are a lot of people in Government House. That is what Corr said yesterday. And, today the incident was repeated, but this time the diplomat from the North met with Siles Zuazo for 27 minutes. On this occasion he left Government House in a hurry, attempting to elude journalists who nevertheless intercepted him when he was getting into his car.

Pushing and shoving along with his bodyguard, Corr talked about his visit indicating that he had come to talk with the president about the country's situation. Ambassador Corr was very agile in avoiding the journalists, but he could not hide a notable bad humor that was even reflected in the color of his face, which turned very red.

Finally, we can indicate that the minister secretary of the presidency visited the press room to find out what Ambassador Corr had said and we journalists informed him of our concerns and he then said humph, shook his head, and did not want to remark on the matter. A journalist asked his opinion of the country's situation and he in an ironic and [words indistinct] way said: Black.

This is all we can report on what happened a little while ago in Government House.

Minister Explains

PY010206 La Paz Cadena Panamericana in Spanish 2310 GMT 31 May 84

[Summary] Regarding the U.S. ambassador's visit to Government Palace, the announcer said: "We also have an important report from journalists who are digging out information. The foreign minister, Gustavo Fernandez Saavedra, came to the palace press room to make some statements on behalf of the U.S. ambassador and the government regarding the behavior of Ambassador Edwin Corr who, after talking with the nation's president, left Government House showing signs of annoyance, concern, walking hurriedly, and refusing to make any statements. This attitude surprised some journalists who immediately made it known through the information media."

In explaining why the Bolivian foreign minister came to talk to the journalists, the announcer said: "Perhaps upon learning about the situation, the foreign minister went to the palace press room and made a statement about what the nation's president and the U.S. ambassador had talked about and discussed": [Begin Fernandez recording] Perhaps the ambassador just did not feel like making any statements. They talked about programs with the U.S. government; the ambassador reiterated his country's support for the Bolivian democratic process, and the plans of economic recovery. [end recording]

COB SUBMITS LIST OF PROPOSALS TO GOVERNMENT

PY311351 La Paz Cadena Panamericana in Spanish 1130 GMT 31 May 84

[Text] The Bolivian Labor Federation [COB] has requested that the president temporarily postpone the payment of interest to the international banking sector. The COB proposal, which was submitted to President Siles Zuazo, includes the revision of the books of private companies back to 1979.

A COB leader, Arnaldo Morales Gomez, read the list of issues that were approved at the COB-government meeting:

[Begin Arnaldo Morales Gomez recording] The following are the points that the COB has submitted for the president's consideration.

I. Fiscal Policy

1. Reallotment of [words indistinct] spending; readjustment of the fiscal budget;

1.1. A selective decrease in current spending;

1.2. Concentration on the spending of investments in keeping with a new accumulation pattern;

1.3. Reform of the taxing system; restructuring of administration of taxes in the income and custom departments;

1.4. Renegotiation of the foreign debt with governments and international organizations;

1.5. Postponement in the servicing of the foreign debt with the international banking sector, that is, the payment of interest;

1.6. The state will not subject itself to the foreign debt contracted with the private banking sector nor will it assume the exchange risks resulting from it;

1.7. Revision of the books of companies in the private sector to recover income for the National Treasury. This revision must be carried back to 1979.

The aforementioned points have been completely approved. [end recording]

Other points approved by the COB and the government encompass the priority allotment of currency for the import of essential consumer goods, medicine, etc.

Morales Gomez reads the list of points that were approved:

[Begin Morales Gomez recording]

II. Trade and Import Policy

2.1. Direct imports through companies in the public sector;

2.2. In the first 3-month period production enterprises will be granted a 30-percent advance based on a yearly export estimate and their budget. The COMIBOL [Mining Corporation of Bolivia] budget must be drafted by the end of September, otherwise it will be difficult to carry out any production program;

2.3. Priority allotment of currency for the import of essential consumer goods, medicine, agricultural investments, resources, industrial investments, spare parts, imports of tools for handicrafts;

All of these points were also approved. [end recording]

The COB and the government also approved points concerning the granting of credits to production sectors.

[Begin Morales Gomez recording]

III. Loan Regulation Conditions

3.1. Conditions to regulate foreign debts;

3.2. Establishment of procedures for the contract of loans.

3.3. Establish fines for those who cause actions detrimental to the government;

3.4. Disregard loans that are contracted by (?future) de facto governments;

3.5. Establishment of fines for those who in representation of the government and of public enterprises and institutions contract credits that are not in keeping with national interests;

3.6. Establishment of limits on the foreign debt so as to safeguard a sustained and sovereign national development. [end recording]

Furthermore, the COB proposed a decrease in prices of five essential consumer goods, but the government only accepted a decrease in the prices of milk and meat. However, it did not specify when this would take place or how much they will be lowered.

The COB submitted 14 points for the president's consideration but only some were completely accepted, while others, like the resignation of the economic team and repudiation of the monetary board, were not accepted.

COB DECIDES TO POSTPONE NATIONAL CONGRESS

PY311805 La Paz Cadena Panamericana in Spanish 1700 GMT 31 May 84

[Text] The Bolivian Labor Federation [COB] Executive Committee [CEN] has decided to postpone the national COB congress until 23 July 1984. This decision was adopted at the CEN meeting held this morning. The reasons justifying this decision range from the present political problems to economic issues, like the foreign debt.

It was also made known that a credentials committee [comision de poderes] that will be made up of five delegates from the mining, peasant, railroad, oil, and factory workers, must be in operation by 15 June.

FURTHER REPORTAGE ON FOREIGN DEBT POSTPONEMENT

Foreign Minister Clarifies

PY311220 La Paz Cadena Panamericana in Spanish 1140 GMT 31 May 84

[Text] In the wake of the alarm caused at international organizations by press reports to the effect that Bolivia would allegedly refuse to pay its foreign debt, Foreign Minister Gustavo Fernandez last night made a clarification.

A paragraph of the document submitted to the press says that point three of the basic agreement reached with the COB [Bolivian Labor Federation] does not say that Bolivia will not pay its foreign debt but simply that it will temporarily suspend the service on interest and principal until the debt is renegotiated.

The foreign minister explained that point three and the aide memoire of the basic agreement reached between the government and the COB states: Renegotiation of the public foreign debt with international private banks under the following principle: Temporary suspension of all services on principal and interest.

He made it clear that this does not mean that Bolivia will not pay its foreign debt to international banks, but simply that it will temporarily suspend the service of interest and principal until the debt is renegotiated.

Fernandez said that [word indistinct] with the statement made by the vice president of the Republic at Congress in which he made a general political proposal to national organizations and institutions concerning the foreign debt. Therefore, Fernandez said, what the vice president stated is not the final position of the executive branch.

Paz Zamora Reasserts Proposal

PY311607 La Paz Cadena Panamericana in Spanish 1537 GMT 31 May 84

[Report from Government House by (Daniel Alarcon Morales)]

[Text] We want to inform the public that a few minutes ago Vice President Jaime Paz Zamora made a statement to the press. Regarding the payment of the Bolivian foreign debt and his proposal to delay the payment for 4 years, the Bolivian vice president noted that no one will go bankrupt if Bolivia does not pay its debt, but if Bolivia subjects itself to the present terms demanded by international credit organizations, Bolivia would itself go bankrupt.

Paz Zamora noted that international organizations must understand the present economic situation of Bolivia and that it should be treated differently.

He said that there must be a national consensus on the proposal he made to a congressional committee which calls for a 4-year delay in the payment of Bolivia's foreign debt.

Although he discussed other issues in general terms, Paz Zamora reasserted his appeal to national civilian and representative organizations. He noted that legislators should also take heed of his appeal during this afternoon's congressional meeting so that once and for all we can seriously analyze this proposal. The congressional committee is scheduled to meet this afternoon at 1600.

We want to add that President Siles Zuazo has been at Government House since 0900 taking care of administrative matters. He has held no meetings, not even with his advisers who did not even to to Government House this morning. Therefore, activity at Government House is minimal.

Lechin on Decision

PY311750 La Paz Cadena Panamericana in Spanish 1700 GMT 31 May 84

[Text] COB [Bolivian Labor Federation] Executive Secretary Juan Lechin Oquendo has reported that the COB will contact national and Latin American organizations to discuss the decision adopted by the COB and the government to postpone the payment of the foreign debt.

According to Lechin Oquendo, this decision has been well received at different Latin American labor organizations. Contacts in this regard will start tomorrow.

PRIVATE BUSINESSMEN CONCERNED OVER FOREIGN DEBT

PY312155 La Paz Cadena Panamericana in Spanish 2113 GMT 31 May 84

[Report by Daniel Alarcon from the headquarters of the Confederation of Private Businessmen]

[Excerpt] Good afternoon. We want to inform our listeners that the Confederation of Private Businessmen has voiced its concern over the way in which the foreign debt problem is currently being handled. During a press conference that has just ended Fernando Illanes, president of the Confederation of Private Businessmen stated that untimely statements made by state officials who seek the support of poorly informed persons are creating confusion in the international sphere over a matter that should be handled directly with the financial enterprises.

COVERNMENT SUBMITS DRAFT DECENTRALIZATION DECREE

PY311850 La Paz Radio Illimani Network in Spanish 1700 GMT 31 May 84

[Text] Presidential Minister Secretary General Miguel Urioste Fernandez has reported that the government has submitted to the National Development Corporation meeting under way in Sucre a draft decree to resolve the problem of the state's administrative decentralization.

The minister said that this problem, which gained significance over the past few days, was not only considered by the government recently but rather it was included in its plan of action.

He said that the draft decree that was submitted to the Sucre meeting was drawn up by the Planning and Coordination Ministry, adding that the government expects the participants to express their views about it and make concrete proposals.

Since the Sucre meeting will conclude today, it is believed that the cabinet could meet tomorrow to examine the proposals and make a decision.

The minister said that the steps taken by the government on this matter were not based on the resolution adopted by the participants in the meeting of the Santa Cruz civic committees in which they granted the government a term of 10 days to enact the decree establishing the state's administrative decentralization. He said that this deadline was not considered because the government has complete freedom of action and it will enact the decree when it deems appropriate.

WORKERS END MONTH-LONG CONFLICT WITH GOVERNMENT

PY010346 Paris AFP in Spanish 0330 GMT 1 Jun 84

[Text] La Paz, 31 May (AFP) -- Bolivian workers tonight ended their month-long conflict with the government by suspending all the strong-armed measures planned to force modification of the economic policy.

A special national assembly of union leaders called by the powerful COB [Bolivian Workers Federation] decided to end the strike at Bolivia's Central Bank. The bank's employees had blocked the implementation of strong measures imposed by the government, among them, the 300-percent monetary devaluation and the increase of the general level of prices.

Meanwhile, the announced general and indefinite strike and the voluntary fasting of more than 10,000 union leaders throughout the country will not take place.

The workers obtained solutions to most of their problems. The measure of greatest political impact was the decision to postpone the payment of the $5-billion foreign debt.

The workers also made the government agree to review the oil contracts of two U.S. companies, which from now on will have to pay regional and national taxes.

The government also agreed to audit private enterprises, to exert a greater control over foreign trade and foreign currency allotments and to strengthen state-owned corporations.

The private sector hastened to criticize the agreements between workers and government.

This outcome of the bilateral conflict has put an end to a lengthy political nightmare.

MEMORANDUM SIGNED WITH PRC ON NUCLEAR MATTERS

PY310335 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 May 84 p 7

[Text] Brazil and the PRC yesterday signed a memorandum of understanding on cooperation in the nuclear energy field. The document was signed by Brazilian and PRC Foreign Ministers Ramiro Saraiva Guerreiro and Wu Xueqian, in the presence of Presidents Figueiredo and Li Xiannian. The memorandum, the first of the type signed by the PRC with a Third World country, will facilitate in the future the establishment of an agreement with the same objective with other countries facing problems in the supply of energy for their development.

According to members of the presidential delegation, the importance of this document lies in the fact that the two countries "seek an autonomous training" in mastering nuclear technology "for peaceful ends," a technology currently controlled by the great powers. Brazil and the PRC are not **signatories** of the Nuclear Nonproliferation Treaty.

The document specifies that the areas of cooperation will probably include basic research on the peaceful uses of nuclear energy; technology relative to research, planning, construction, and operations of nuclear plants and research reactors; technology for the prospecting and reprocessing of uranium; production of fuel elements; regulation and research for nuclear security; and production and the use of radioisotopes in areas of mutual interest. According to the terms of the memorandum of understanding, the two countries will exchange knowledge and information in the nuclear field, which will open the door in the future for an exchange of technologies.

Saraiva Guerreiro signed other agreements as well with the president of the State Science and Technology Commmssion. Among these is a multisector supplementary adjustment to the Scientific and Technological Cooperation Accord which was put into effect only 2 months ago, although it was signed in 1982. In this agreement the two countries agreed to intensify their cooperation in the areas of agriculture, livestock, fish culture, silviculture, health, electricity, microelectronics and computers, space, and standardization. It will be up to the Brazilian-PRC Joint Commission for Scientific and Technological Cooperation to establish concrete projects of cooperation in specific areas. Moreover, a supplementary protocol to the trade agreement between the two countries was also signed.

Brazil and the PRC will in August 1984 complete 10 years of the resumption of diplomatic and commercial relations, severed by Brasilia after the March 1964 movement.

Regarding bilateral talks with Beijing, Brazil intends to even the trade balance between the two countries which last year presented an unfavorable balance to Brazil of $223 million.

Among the matters discussed by Brazilian and PRC economic authorities was a transport agreement. Under this agreement, Brazilian ships will carry iron ore to the PRC and will return with petroleum and coal. The Brazilian Government has decided to offer planning and equipment for the construction of the Tiansehengqiao hydroelectric dam in exchange for the supply of PRC petroleum. Moreover, the formation of a binational enterprise was announced in Beijing for the exploitation of wood in Manaus, while the creation of another enterprise for the extraction of iron from the Timbopaba mine is under study.

GROUP MANIFESTO REJECTS TUCANO SALE TO HONDURAS

PY311209 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 84 p 5

[Text] The use of the Tucano T-27 as an antiguerrilla aircraft by Honduras does not involve Brazil in the Central American conflict. This will be Brazil's official position as revealed yesterday in Brasilia by a high-placed source in the Armed Forces Joint Staff (EMFA). In Sao Paulo, however, a manifesto asking for cancellation of the plane's sale to Honduras was distributed yesterday. This manifesto is signed by several organizations.

Part of the manifesto signed by the ABI [Brazilian Press Association], the CUT [United Workers Confederation], the CONCLAT [National Conference of the Working Classes], the Union of Journalists, and the Brazilian Women Confederation says: "We do not want money earned at the expense of brotherly people. Let this clandestine and immoral deed be cancelled. Let Brazil join France in clearing Corinto Port, keeping itself true to its tradition of an independent and legal foreign policy." It adds that "Honduras has been transferred into a U.S. military base to attack Nicaragua. Selling arms to Honduras at this time is the same as attacking Nicaragua, which is caught up in a nondeclared, illegal, and unjust war that is being prosecuted by the Reagan government against the Sandinist revolution."

According to the EMFA source, the Brazilian Government will justify the sale of the planes with the argument that they were originally designed as training planes. The fact that Honduras bought the Tucano and adapted it for antiguerrilla missions does not mean that Brazil has decided to intervene in the Central American conflict. Thus it will support the Brazilian position against intervention by foreign forces and in favor of the principle of **self-determination.**

According to the same source, Brazil will not change its policy on war materiel. Therefore, it will not impose restrictions on the purchasers of arms manufactured by Brazilian industry regarding the use or even re-exportation of the materiel. In fact, the Brazilian Government is interested in encouraging the export of arms so that the Brazilian military industry may yet vie for first place in the list of the country's exports in coming years.

RUMORS ON POSSIBLE CHANGES IN ECONOMIC SECTOR

PY301455 Porto Alegro Radio Guaiba in Portuguese 0200 GMT 30 May 84

[Text] Planalto government house sources today confirmed that there is a possibility that Ministers Delfim Netto and Ernane Galveas may resign upon President Figueiredo's return to Brazil. This is the first time that there have been rumors in government house about changes in the economic sector. According to [word indistinct] sources, Central Bank President Celso Pastore will also be removed, and it is rumored that Delfim Netto may be appointed Brazilian ambassador to Washington.

NEVES PRESIDENTIAL CANDIDACY OFFICIALLY LAUNCHED

PY311854 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 31 May 84

[Text] Speaking in Santa Catarina, Governor Tancredo Neves has unintentionally admitted that he is a presidential candidate of the opposition. He has even announced that his vice president will be Espiridiao Amin. Correspondent (Waldir Renze) has filed this report from Florianopolis:

[Begin (Waldir Renze) recording] Good morning, listeners. This is a report from Florianopolis, where Tancredo Neves attended a legislative assembly meeting last night. Speaking to more than 3,000 persons, Tancredo made a mistake when asked whether Espiridiao Amin could be his vice president. Neves replied that he, Neves, had been considered, though unofficially, as the fifth possible candidate. At no time did Tancredo suggest that his name would be officially sponsored, although he also remarked that the [word indistinct] compels all Brazilians and all politicians to be at the service of their party.

Asked about the position of President Joao Figueiredo, Tancredo said that the president has adopted a highly consistent position.

Concerning a possible Tancredo Neves-Espiridiao Amin ticket, he said that although he greatly admires Santa Catarina, he has no political commitments to the state.

Tancredo ended his address by saying that Paulo Maluf is [word indistinct] as a PDS [Social Democratic Party] candidate and that, therefore, it will be very difficult to find a consensus candidate.

During a reception honoring Tancredo Neves here in Santa Catarina, a group of politicians made up mainly of mayors of the [name indistinct] region officially launched Tancredo Neves' candidacy for the presidency. [end recording]

DISSIDENTS CONSIDER NEW LEFT-CENTER PARTY

PY251532 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 May 84 p 4

[Excerpt] Congressmen of the PDS [Social Democratic Party] with the support of PMDB [Brazilian Democratic Mobilization Party] moderates, led by Minas Gerais Governor Tancredo Neves, are considering the creation of a left-center political party capable of destabilizing the majority the PDS holds for indirect presidential elections and of stamping out the candidacies of Deputy Paulo Maluf and Minister Mario Andreazza. The new party would be based on the leadership of Acting President Aureliano Chaves, and its creation would only be held back by the approval of the amendment for immediate direct elections.

The congressmen who are examining the possibility of forming this new party believe that in this way the Planalto Palace can be forced to accept direct elections now. In this case, the natural candidate for president in a direct election would be Acting President Aureliano Chaves.

In case immediate direct elections are not approved through the constitutional amendment the Planalto Palace has submitted to Congress, the PDS dissidents will walk away from their current party and form the new party. At least 30 PDS congressmen would be willing to join the new party, thus doing away with the PDS majority in the Electoral College, according to Deputy Saulo Queiroz (PDS-South Mato Grosso).

The proponents of this new alternative estimate that the PDS would no longer be in a position to elect Paulo Maluf or Mario Andreazza on 15 January, 1985, because with the formation of the new party, the PDS would lose its majority in the Electoral College if it cannot choose state delegates in Santa Catarina, Rio Grande do Sul, and Mato Grosso do Sul.

These possibilities were informally discussed the night of 22 May in the apartment of Deputy Saulo Queiroz during a meeting of PDS deputies of the direct elections group with deputies of the Unity and pro-party groups of the PMDB.

COMMUNIST PARTY SEEKS LEGAL RECOGNITION

PY311328 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 May 84 p 4

[Excerpts] Brasilia -- Today Justice Minister Ibrahim Abi-Ackel will decide whether the Brazilian Communist Party (PCB) may publish its statutes, program and manifesto in the OFFICIAL GAZETTE. The request for publication was made yesterday at the National Press Department (DIN) through lawyer Ibere Bandeira de Melo and with the payment of 3.5 million cruzeiros.

Giocondo Dias, member of the national commission for the legalization of the PCB and PCB secretary general, is in Brasilia today to hold meetings with presidents and leaders of political parties, including the PDS [Social Democratic Party]. Dias will also try to meet with Senate President Moacyr Dalla and will hold a press conference in the evening.

Without referring to the "dictatorship of the proletariat" or defending a single party system in Brazil, the PCB program, statutes and manifesto, which were disclosed in Sao Paulo, consider that the party is "committed to the defense of democracy, to basic human rights and to those institutions representative of the peoples sovereignty, and to a political pluralism that is the premise of political action."

In its program the PCB considers itself a "national autonomous" party that "supports all universal movements that defend and advocate human rights and that maintain that the working masses have a historical role." It also states that "its method to analyze the true situation is based on Marxist theory."

The program asserts that the PCB deems "socialism as a feasible historical alternative that is desirable from the political point of view for Brazil," pointing out that a "socialist transition" may be achieved through a "national and democratic program."

The PCB advocates the establishment of a democracy of the masses "that will control the state and social affairs," as well as a change in the so-called economic model.

The PCB manifesto admits that it is "undoubtedly urgent to hold the broadest national dialogue in order to draw up a new and different plan for Brazil." After pointing out that "the current times demand an end to silence and discrimination," the manifesto asserts that the Communists demand the right to a legal existence as a political party.

PDS, PMDB LEADERS MEET, SET AMENDMENT VOTE

PY311654 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 31 May 84

[Excerpt] After a 2-hour meeting in Brasilia, the PDS [Social Democratic Party] and PMDB [Brazilian Democratic Movement Party] leaders agreed on a timetable to appraise and to vote on the government amendment advocating direct presidential elections for 1988.

An assessment will be presented before 22 June and the matter will be voted on in Congress on 27 June. This was the main topic in the political arena yesterday, a topic which is summarized by reporter Carlos Rodriguez as follows:

[Begin Rodriguez recording] The setting of a date to vote on the government amendment on direct elections was the only concrete result of a meeting between the PDS and PMDB presidents which lasted more than 2 hours. PMDB President Deputy Ulysses Guimaraes (?accepted) the proposal, a proposal which sets the date to vote on the amendment for 26 and 27 June. [end recording]

GOVERNORS DELEGATION VISITS SOVIET UNION

For Soviet reportage on the visit to the USSR by a delegation of Brazilian governors, including a report on their meeting with Politburo member and RSFSR Council of Ministers Chairman Vitaliy Vorotnikov, see the Latin America & Caribbean section of the 30 May Soviet Union DAILY REPORT and subsequent issues.

OIL PURCHASES TO BE INCREASED FROM IRAQ, MEXICO

PY312258 Buenos Aires TELAM in Spanish 1153 GMT 31 May 84

[Text] Brasilia, 31 May (TELAM-ANSA) -- Brazil will purchase more oil from Mexico and Iraq to compensate for the temporary suspension of Iranian and Kuwaiti oil shipments due to the attacks to which tankers using the Persian Gulf are being subjected. Sources of the Brazilian Ministry of Energy today indicated that the state-owned Petrobras corporation made this decision yesterday in order to maintain oil supplies at a normal level. They also indicated that initially Petrobras was going to wait out the virtual blockade of the Persian Gulf, but the worsening of the conflict has prompted its Commercial Department to change its plans.

The blockade of the Gulf is hampering shipments from Iran, Kuwait, and the Arab Emirates; however, it is not affecting Iraq because the latter is exporting its oil through an oilpipe which links it to a Turkish port.

Brazil is currently importing 430,000 barrels of oil per day, not counting 610,000 barrels which it acquires from Nigeria, since this oil is refined and then re-exported. Brazil's main suppliers are Saudi Arabia (130,000 barrels per day), Iran (45,000 barrels per day before the Persian Gulf crisis), PRC (40,000 barrels per day), Mexico (40,000 barrels per day), Kuwait (30,000 barrels per day before the Persian Gulf crisis), Qatar (30,000 barrels per day), the Soviet Union (20,000 barrels per day), and other suppliers.

If the crisis were to worsen, Petrobras has the option of temporarily using the Nigerian oil to replace that of suppliers who suspend shipments.

BRIEFS

$100-BILLION 1984 DEBT -- According to the Central Bank, the Brazilian foreign debt now stands at $92.9 billion and will reach $100.92 billion by the end of the year. [Excerpt] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 29 May 84]

DRAFT POLITICAL PARTIES BILL DRAWS REACTION

PY311908 Madrid EFE in Spanish 0208 GMT 31 May 84

[Text] Santiago, 30 May (EFE) -- Leftist, centrist, and rightist Chilean politicians today described General Augusto Pinochet's proposed draft law, requiring 150,000 signatures to establish a new political party, as "antidemocratic, absurb," and an "aberration."

Pinochet amended a draft law submitted to him yesterday by the State Council, an advisory body, by increasing the number of signatures required to establish a new political party from 20,000 to 150,000. On 31 May Pinochet will turn this draft law over to the government junta (the legislative branch) for discussion.

Gabriel Valdes, president of the Christian Democratic Party and former foreign minister of President Eduardo Frei's government said: "It seems to me that creating arbitrary conditions for the establishment of political parties at one's own discretion is absolutely antidemocratic."

"Political parties must be organized on the basis of a constitution approved by the people, and not as a concession by any authority," he said.

Carmen Saenz, leader of the rightist National Party, said: "I view this requirement as an aberration because, during the best times, organized political parties managed to obtain only 20,000 signatures. It gives the impression of being intended as an obstacle." Rene Abeliuk, leader of the Social Democracy Party, said: "This number is really absurd. It has no relation to anything. Previously (during democracy), only 10,000 signatures were required."

Fernando Maturana, leader of the rightist and officialist National Union, said "it is an obstacle to the formation of parties." Carlos Briones, president of the Chilean Socialist Party, remarked that "the requirement is an insurmountable obstacle."

Ignacio Astete, from the officialist Independent Democratic Union (UDI), said: "It seems an excessive number to me." Luis Angel Ibanez, from the rightist Democratic Socialist Workshops, said: "It seems outrageous to me." Cesar Hidalgo, from the National Vanguard, which organized a rally in support of President Pinochet when he was accused of "fiscal fraud," considered the increase as "considerable."

In a statement to reporters, Interior Minister Onofre Jarpa replied to the politicians by noting that "in Chile there are now 7.5 million persons with the right to vote" and, therefore, the 150,000 signatures that they (the political parties) must collect "scarcely represents 2 percent of the voting citizens." Jarpa, who was president of the rightist National Party when Pinochet overthrew Allende, also added that "if they are truly representatives of popular masses, or of the people, as they say, and they can gather 1 million persons in O'Higgins Park, what problem could they have in collecting 150,000 signatures?" Last year the opposing multiparty Democratic Alliance organized a rally, which was authorized by the government, in O'Higgins Park, where some of its leaders said they had gathered 1 million persons. "They had three or four parties ready in the park, according to their own estimates," the minister added.

The evening paper LA SEGUNDA today reported that the government junta had already studied the matter, and that it is preparing to analyze the draft law. It also said that junta member and Commander in Chief of the Navy Admiral Jose Toribio Merino reportedly considers 20,000 signatures as reasonable and "has thus stated on a previous occasion."

NIGHT TRAFFIC CURFEW LIFTED ON WEEKENDS

PY311832 Santiago Domestic Service in Spanish 1730 GMT 31 May 84

[Text] The restriction on night traffic will not be effective on Friday and Saturday nights. This change was published today by the office of the chief of the emergency state zone of the metropolitan area and San Antonio Province. Bearing General Rene Vidal's signature, the edict decrees that as of today the restriction on night traffic will not be effective on Fridays and Saturdays.

CARABINEROS 'BEAT' ANTITORTURE DEMONSTRATORS

PY292225 Santiago Radio Cooperativa in Spanish 1715 GMT 29 May 84

[Carmen Castro report]

[Text] At least nine people have just been arrested as a result of a peaceful demonstration against torture that was organized by the [name indistinct] Movement Against Torture. Approximately 100 persons gathered in front of the Metropolitan Cathedral and then began to circulate around the Plaza de Armas in front of the cathedral. The people were carrying placards condemning torture as a scourge that is rampant throughout the country. When the demonstrators were halfway around the Plaza de Arms, members of the Carabineros began to beat the demonstrators, who were marching in silence, and at the same time Carabineros arrested Fathers (Jose Aldunate) and (Antonio Caceres) and layman (Manuel de Ferrari).

The nine others [words indistinct] indicating that the demonstration was against any type of physical and harmful torture, something that is rampant throughout the nation. Although another 12 persons were detained, the demonstrators continued their rally to the point where 21 de Mayo St connects with the Plaza de Armas, where they sang songs demanding freedom. At this point, Father (Mariano Boga) told the members of the Carabineros that he regretted that they had to obey and carry out orders of this type against the people of Chile, and he stated that torture was a national scourge.

FASTING MINEWORKERS REINSTATED IN JOBS

PY261509 Santiago Domestic Service in Spanish 1100 GMT 26 May 84

[Excerpt] The mine workers who were on hunger strike for 26 days will return to the same jobs they had before and will be paid the same wages. This has been decided by El Teniente branch officials of the Copper Corporation [CODELCO]. (Rogelio Farias), president of the El Teniente labor union, has stated that the end of the strike has been welcomed by all sectors. The participation of Bishops (Fuensalida) and (Miguel Cavieres) was decisive in finding a solution to the problem. The two prelates succeeded in mediating in a satisfactory way in the case which at times threatened to become serious. (Farias), president of the El Teniente labor union, added that the workers will now receive free medical treatment which will be provided by CODELCO. It has been reported that the seven hunger strikers have been hospitalized in Rancagua for a complete medical checkup.

AILING DEFENSE MINISTER RETURNS FROM U.S.

PA310350 Bogota EL TIEMPO in Spanish 26 May 84 p 11 A

[Text] Defense Minister General Gustavo Matamoros D'Costa arrived yesterday looking visibly weakened. President Belisaro Betancur welcomed him at the military airport. All of the Armed Forces staff officers, led by General Miguel Vega Uribe, commander in chief of the Military Forces, were present at Catam Airport, where Matamoros arrived at 1650.

Minister Matamoros traveled in the presidential plane accompanied by his wife, Beatriz, and their two daughters, who had gone to the United States with him.

The President greeted Matamoros as soon as he left the plane after which the general went immediately to his residence.

Tight security measures did not allow newsmen on the runway or even to take pictures of Matamoros.

EL TIEMPO learned that the general will return to work following a week-long rest at a ranch near Bogota.

Matamoros will undergo periodic checkups at the Central Military Hospital of Bogota. The Armed Forces Staff officers later attended a reception at Matamoros' house.

It was learned that the general has responded well to the chemotherapy treatments he underwent in the United States. He moved up his return to celebrate his birthday at home with his closest associates.

In addition to Washington, the high official visited relatives in Miami, from where he returned to Bogota.

JUSTICE MINISTER DISCUSSES DRUG TRAFFIC

PA310319 Bogota Domestic Service in Spanish 1730 GMT 29 May 84

[Text] Justice Minister Enrique Parejo Gonzalez today said that a joint U.S.-Colombian effort is indispensable to wage the anti-narcotics struggle, since the United States is a major consumer of drugs.

The minister spoke with newsmen about the struggle that Colombia is waging against drug trafficking. He said that this struggle is continuing with the same intensity as in the past, noting that arrest warrants have already been issued for persons whose extradition has been requested by the United States. On this and other matters of interest, the minister said:

[Begin recording] [Parejo] One gets the impression that the proper conditions do not exist for the immediate lifting of the state of siege. However, all of us Colombians heard the president of the Republic promise that as soon as those conditions exist he will proceed to lift the state of siege, even if that measure has to be applied in stages, depending on the prevailing situation in the country.

[Question] Would this mean that the state of siege would be lifted area by area, that is, by department?

[Parejo] That could be one solution, as the president of the Republic said.

[Question] Does Mr Meyer's [not further identified] -- visit mean that there would be more unity with the United States in fighting drug trafficking?

[Parejo] Yes. That unity is indispensable, since the United States is the major consumer. The huge U.S. market is the goal of that trafficking. Here in Colombia we have the laboratories. Fortunately, we have already been able to eliminate the largest of these, but some remain. Moreover, we have practically brought the trafficking under control. Therefore, there must be a joint effort on the part of the U.S. and Colombian Governments. The important thing is to talk and reach agreements or extend already existing agreements in this area.

[Question] Has Meyer brought any program or specific proposal in this regard?

[Parejo] I do not know as yet. I am going to meet with Mr Paul Meyer in an hour or an hour and a half. I will receive him in my office. We will talk, and I will be apprised of what proposals or plans are to be submitted for our consideration.

[Question] What is the current status of the (?anti-narcotics war)?

[Parejo] We will continue to wage it with the same intensity as in the past. The National Drug Council has had regular meetings. Measures continue to be taken to restrict the movement of aircraft and other vehicles suspected of being linked to drug trafficking. Of course, these measures will undoubtedly cause some inconvenience and some conflict. This will of course not be intentional; only [word indistinct] because we feel that a serious problem is involved: The definitive control of drug trafficking.

[Question] Yesterday the [word indistinct] asked the government to name the persons involved in the drug trafficking. Does the ministry have any definite evidence on who is involved in this activity?

[Parejo] Some judicial authorities are already studying the drug traffic problem; therefore, they will determine the responsibility of the leaders of any activity, including the soccer sector, linked to that illegal traffic.

[Question] There are two things involved in the struggle against drug trafficking. One, you say that such traffic has practically been controlled, [word indistinct] there are many drug trafficking leaders who fled the country; and second, about the soccer issue, yesterday the authorities arrested leader Hernan Botero, who had been sought by U.S. justice for several years. Then there is drug trafficking money in soccer activities?

[Parejo] Well, public opinion is aware of the Justice Ministry's position in that respect; however, I do not want to commit myself on something that must be decided by the judicial branch and which cannot be interfered with in anyway by the executive branch.

[Question] Two months ago a committee was named to investigate precisely that. Have the results of the committee's studies been revealed?

[Parejo] No, not yet as far as I know.

[Question] What are the implications of the U.S. position concerning the struggle against drug traffic? They said they do not have the means to destroy the ships and vessels of the drug traffickers, but instead they offer economic aid; in fact, they have even mentioned the amount of $10 million.

[Parejo] We are going to talk with the U.S. authorities. In fact, today I have an appointment with Mr Turner [Carlton Turner, White House adviser on drugs], and the foreign minister also made some contacts in the United States on the issue. And tomorrow I will have the opportunity to talk with Ambassador Tambs. Meanwhile, I cannot report anything.

[Question] Anything new on extraditions?

[Parejo] Yes, some arrests have been made for extradition purposes. We have already informed the U.S. Embassy about this. There are not many; nevertheless, the authorities already have the warrants for the arrest of those persons requested by the United States for extradition.

[Question] Any names?

[Parejo] No, I cannot give you any names, but I know there are four or five persons under arrest for this purpose.

TEACHERS OCCUPY SPANISH EMBASSY IN BOGOTA

PA312050 Madrid EFE in Spanish 2026 GMT 31 May 84

[Text] Bogota, 31 May (EFE) -- Eight members of the Colombian Federation of Educators (FECODE) took over the Spanish Embassy in Bogota today.

Ambassador Manuel Garcia-Miranda y Rivas together with diplomatic personnel and chancellory and consulate employees are inside the embassy.

"We are holding talks and we trust that the occupiers will leave the embassy soon," Ambassador Garcia-Miranda told EFE.

Leave Peacefully

PA312220 Madrid EFE in Spanish 2202 GMT 31 May 84

[Text] Bogota, 31 May (EFE) -- Two of the eight members of the Colombian Federation of Educators (FECODE), who occupied the Spanish Embassy, left peacefully after 3 hours. Six had left the embassy 40 minutes earlier at the request of Ambassador Manuel Garcia-Miranda y Rivas.

The Spanish ambassador sent the Presidential Secretariat a list of grievances by FECODE, which has more than 150,000 members, drafted by the last two teachers to leave the embassy.

The ambassador offered his official car to take the last two teachers to the center of Bogota, where a peaceful teachers' demonstration was underway.

The demonstrating teachers were protesting against the punishment imposed by the government of docking 12 days' pay from the elementary and secondary school teachers who participated in an unauthorized strike, which prompted the occupation of the embassy.

PRESIDENT ON ARMY MODERNIZATION, MANEUVERS

PY311502 Lima Cadena Panamericana Television in Spanish 0300 GMT 31 May 84

[Report on President Fernando Belaunde's news conference on 30 May; place not given]

[Text] President Fernando Belaunde said today that the government is perfectly aware that the Army must replace its obsolete equipment in order to properly safeguard our sovereignty. He added that, in this regard, there is permanent coordination with the Armed Forces.

[Begin recording] [Unidentified reporter] Mr President, (?could) you comment on the statement by General Julian Julia that he will ask for [word indistinct] the possibility of purchasing weapons?

[Belaunde] We have just held a meeting with them. We are in permanent contact and we maintain a fluid dialogue. We are very well aware of their needs and there is considerable interest in permanently modernizing the Armed Forces.

[Reporter] What is the significance of the maneuvers being staged in southern Peru, Sir?

[Belaunde] They are absolutely routine maneuvers which are regularly staged. Absolute tranquillity prevails. There is also complete agreement on an essential issue, namely, that Peru must have modern and well trained Armed Forces. [end recording]

FRANCE TO SUPPLY MIRAGES; ARMY SEEKS USSR WEAPONS

PY312303 Paris AFP in Spanish 1828 GMT 31 May 84

[By Albert Brun]

[Text] Lima, 31 May (AFP) -- It has been officially announced that, after painstaking negotiations between the two parties, 26 French made Mirage-2000 planes have been purchased from France by Peru. The planes have an overall cost of $700 million, including a part of the land-based support materials that these planes need, but armament is not included (among others, Exocet AM-39 missiles).

The contract in French francs was signed before France devalued its currency and, therefore, Peru will obtain savings that economists familiar with the negotiations estimate at approximately 20 percent.

It is estimated that the initial weaponry for the Mirages will cost approximately $100 million, this expenditure is increased to approximately $900 million, with the manufacturing firm of Dassault demanding payment before delivery. It is not known whether there has been a favorable outcome to negotiations which seek payment through a line of credit.

For his part, Army Commander in Chief General Julian Julia has stated that Peru has started negotiations at government level to seek approval for renewing the Army's equipment in order to give it updated materiel that is at a level with the evolution of war technology.

According to diplomatic circles, the expenditure will amount to approximately $200 million and the majority of the equipment will be purchased in the Soviet Union.

The veteran Mirage-5P's of the Peruvian Air Force (FAP) -- approximately one dozen -- that were purchased in 1969, were modernized in 1983 and, among other things, had a laser telemeter installed in them that can pin point the shots of air-ground missiles to within meters of their targets.

The modernization of these planes was carried out by Dassault-Breguet, which won a tender that had been put out by the FAP. The amount of the tender has been kept secret. This is the most important series of the purchases that Peru has made since 1978-79, when the country purchased seven Dutch vessels at a cost of $2 million for each vessel.

Moreover, reliable sources have asserted that the Navy is thinking about reinforcing its fleet, because it will be decommissioning some units.

Official sources have denied reports on the effect that these purchases will have on Peru's external debt ($12 billion), which is being successfully refinanced and upon which negotiations will begin on 4 June in the French capital with members of the so-called Paris Club.

DELEGATION TO PARIS CLUB MEETING NAMED

PY311355 Lima Diplomatic Information Service in Spanish 0532 GMT 31 May 84

[Text] The Peruvian delegation to the Paris Club meeting scheduled for 4-5 June was appointed by supreme resolution No 0279. It will be headed by Foreign Minister Sandro Mariategui and will include Economy Minister Jose Benavides Munoz and Peruvian Ambassador to France Alfonso Arias-Schreiber, among others.

FRG SIGNS TECHNICAL, FINANCIAL AGREEMENTS

PY311428 Lima Diplomatic Information Service in Spanish 0533 GMT 31 May 84

[Text] Foreign Minister Sandro Mariategui and FRG Ambassador Hans Joachim Hille today signed at the Foreign Ministry three agreements for technical and financial cooperation. One agreement refers to a fund for surveys and experts and it grants Peru DM 3 million under soft terms. Another agreement allocates DM 2 million, which are nonrepayable, for the cultivation and exploitation of lupine. By the third agreement, the FRG is to supply experts and medical equipment for improving health conditions in rural areas.

500,000 PUBLIC SERVANTS TO STRIKE 5 JUN

PY311354 Lima Cadena Panamericana Television 0300 GMT 31 May 84

[Interview with Raul Caballero, secretary general of the Inter-Union Confederation of Public Servants, by an unidentified reporter; date and place not given -- recorded]

[Text] [Reporter] Mr Caballero, is there any possibility of finding a solution to prevent the general indefinite strike that public servants will begin on 5 June?

[Caballero] None whatsoever. We submitted a note to the president of the Republic on 20 March announcing our decision to go on strike and listing our demands.

The only thing the government did was to send us a note on 16 May informing us that our demands were passed on to the Ministries of Labor, Justice, Health, Education and to the Peruvian Social Security Institute. Except for this document, there has been no other deal or dialogue with the government.

[Reporter] How many public servants will join the strike?

[Caballero] More than 500,000 workers of the central administration and of regional governments, of the ministries, and of public welfare institutions have decided to begin a general indefinite strike on 5 June.

GOVERNMENT READJUSTS SALARIES BY 30 PERCENT

PY311549 Lima Television Service in Spanish 0330 GMT 31 May 84

[Text] Today the government decreed a 30-percent readjustment of the salaries earned as of 31 May 1984. The readjustment will be granted as of 1 June 1984 and will not be smaller than 70,000 soles or larger than 150,000 soles for employees on payrolls or under contract, and for workers on permanent or temporary state-paid jobs.

The government also readjusted the teachers basic salary, which will go from 100,000 to 120,000 soles.

The readjustment was granted through a decree signed by President Fernando Belaunde and endorsed by the Council of Ministers. The decree also sets forth that retirement allowances paid by the state will be also readjusted by the above-mentioned percentage as of 1 June 1984.

NEW PARTY REGISTERS AT NATIONAL ELECTORAL BOARD

PY301813 Lima Diplomatic Information Service in Spanish 0616 GMT 30 May 84

[Text] The Mariateguist Party for National Liberation (PMLN), led by Deputy Antonio Meza Cuadra, has been registered at the National Electoral Board.

PIURA MILITARY SCHOOL ATTACKED BY 'SUBVERSIVES'

PY312229 Paris AFP in Spanish 1921 GMT 31 May 84

[Text] Lima, 31 May (AFP) -- Police sources in this capital reported today that a cadet of the Pedro Ruiz Gallo Military School, located in Piura, 1,000 km north of Lima, was wounded by bullets yesterday, Wednesday, when a group of armed individuals, presumably subversives, attacked the school's premises. The attackers, who were armed with revolvers, tried to get into the school, which is located in the Patala shanty town, and Cadet Carlos Ayaza was wounded during the shootout, the sources added.

PRESIDENT BELAUNDE TO VISIT BRAZIL 18-20 JUNE

PY311356 Lima Diplomatic Information Service in Spanish 0531 GMT 31 May 84

[Text] An official communique reads: "The president of the Republic, architect Fernando Belaunde Terry, will pay an official visit to the Federative Republic of Brazil on 18-20 June at the kind invitation of the Brazilian chief of state, His Excellency Joao Baptista de Oliveira Figueiredo. Lima, 29 May 1984."

FINANCE LEADER ADVOCATES DEBT PAYMENT SUSPENSION

FL010130 Mexico City NOTIMEX in Spanish 2335 GMT 31 May 84

[Text] Mexico City, 31 May (NOTIMEX) -- Mario Aguero, president of the Mexican Institute of Finance Executives, today said that countries with large foreign debts should join Bolivia in the indefinite suspension of payments to creditors in the international banking sector. He said that for Mexico, Brazil, and Argentina, this is a favorable time to renegotiate the repayment terms of their debts. Argentina is about to sign a cooperation agreement with the International Monetary Fund.

He pointed out that Mexico is in a privileged situation relative to the other countries because the international banking sector has recognized on several occasions the country's efforts to overcome the crisis and fulfill its obligations. Aguero added that there is more flexibility in Mexico due to a trade surplus and adequate management of its economic policy.

Nevertheless, he said that it is necessary to bear in mind that in 1985 the amortization of the principal of the Mexican debt will begin and that will definitely cause pressure on the flow of currency.

SECRETARY COMMENTS ON AGREEMENTS WITH CUBA

PA312129 Mexico City EXCELSIOR in Spanish 28 May 84 pp 1, 11

[By Fernando Aranzabal]

[Text] Francisco Labastida Ochoa, secretary of energy, mines and parastate industry (SEMIP), yesterday announced that Mexico and Cuba are currently studying complementary economic projects "on equal terms and to the benefit of both parties." The objectives are to take full advantage of the industrial plant capacity of the two countries and solidify national integration. Among other things, Secretary Labastida Ochoa reported that Mexico will build 45 to 50 percent of the tractors specified in an agreement, while Cuba will build 20 percent. [as published] Labastida Ochoa was interviewed at noon yesterday at the international airport shortly after his arrival from Havana.

The official said that the trip's objectives were satisfactorily fulfilled. The objectives were to set up several export projects, explore the feasibility of other projects involving the installation of sugar mills and the supply of equipment for them, as well as railway equipment for Cuba and tractors for both countries. As a result of Labastida's trip to Cuba, agreements totaling $40 million in export transactions and $400 million in complementary economic projects were finalized.

Labastida Ochoa said that the main problems of Mexico's industrial plant are to a great extent rooted in low levels of demand. "The public knows that we operate at very low industrial plant capacity levels; there are industrial fields such as capital goods in which we operate at 40 percent of full capacity. As long as there is low domestic demand, we must continue to promote exports and substitute import goods."

As for the San Jose Pact, which Venezuela wants to change or break, Labastida Ochoa said: "We have no official report regarding that," however, "Mexico has great interest in keeping it."

VISITING PRC OFFICIAL PRAISES PRI'S ROLE

PA260301 Mexico City EL NACIONAL in Spanish 23 May 84 p 2

[Text] The CPC regards the PRI as "the best social organizer in Mexico." This statement reflects the vital and responsible role played in the country's history by the majority party. Li Beijai, CPC Central Committee representative for Latin America, made the statement yesterday to Francisco Luna Kan, secretary general of the PRI's CEN [National Executive Committee].

The PRI leader, who welcomed the Chinese official in his CEN office, stressed the two organizations' agreement on the issues of peace and international detente: "Our countries definitely oppose the arms race and the permanent threat of nuclear war that is menacing the world, which requires a long period of peace to achieve normal development." Luna Kan stressed to the visiting CPC delegation that the two nations' friendship is founded on their respect for the self-determination of peoples.

The CPC leaders also met with Humberto Hernandez Hadda, the CEN's secretary for international affairs.

GDR AGREES TO ESTABLISH COMMON FRONT FOR PEACE

FL312138 Mexico City NOTIMEX in Spanish 1823 GMT 31 May 84

[Text] Mexico City, 31 May (NOTIMEX) -- The Mexican Senate has reported that Mexico and the German Democratic Republic agreed to set up a Common Front for the Defense of World Peace during a meeting between GDR representatives and Mexican legislators.

GDR Foreign Minister Oskar Fischer pointed out that his country shares Mexico's view that resources spent on weapons could be used for education, health care, economic improvement, and the improvement of life in general.

He added: The GDR is prepared to adopt more radical disarmament measures as long as they are based on the principle of parity and security for the parties involved, because we do not wish to be stronger, but neither do we want other countries to triumph over us. The East German foreign minister asserted that his country, like Mexico, has a great deal of interest in peace, is active in the struggle for peace, and seeks more points of agreement with other countries and to create an indestructible front for the preservation of peace.

Miguel Gonzalez Avelar, chairman of the Great Commission of the Senate, warned of the danger of the military industries of the great powers growing so large that it would be impossible to disconnect the military industries from their respective economies without provoking a great crisis.

1984 TRADE AGREEMENT SIGNED WITH ROMANIA

FL311420 Mexico City NOTIMEX in Spanish 0310 GMT 31 May 84

[Text] Mexico City, 30 May (NOTIMEX) -- Mexico's Under Secretary for Foreign Trade Luis Bravo Aguilera today said that Mexico and Romania have signed a $100 million trade agreement for 1984. Bravo Aguilera said the two countries have shown great willingness to cooperate, as demonstrated by the ascorbic acid plant that has just begun operation. He added that Mexico has a future in manufacturing pharmaceutical products and machines, among others.

Romanian trade representative Nicolae Giosan said Romania currently produces 53 times more than what is produced in 1983, [as heard] and that it is highly competitive in the manufacture of agricultural machinery, chemical and petro-chemical industries, pharmaceutical products, and agricultural tools. Giosan added that the Romanian Government is very interested in signing long-term contracts to buy Mexican products such as sulfur, copper, zinc, lead, coffee, and sugar.

EDUCATION SECRETARY OPPOSES U.S. UNESCO DECISION

PA230337 Mexico City EL SOL DE MEXICO in Spanish 19 May 84 p 2

[Text] UNESCO has not been a failure, and in our battered world we have problems not because of it, but in spite of it, Education Secretary Jesus Reyes Heroles said yesterday, as he urged the United States to reconsider and think about its decision to withdraw from the United Nations organization. While attending the 119th meeting of the UNESCO Executive Council in Paris, France, Reyes Heroles said that "the decision of the United States to withdraw from UNESCO is bad for the international community and for the United States. I just cannot see who will benefit from it." While representatives of various countries were asking the United States to reconsider its decision, Reyes Heroles said: "It is within UNESCO and acting as part of it that we can obtain steady results and correct human errors; if there was ever an institution created to do good for men and nations it is UNESCO, and its goals are still the same."

Let us not think about our battered world with UNESCO, but about what it would be without it, Reyes Heroles pointed out. We have problems not because of UNESCO, but in spite of it, he added, while stressing that the international organization can be improved upon, including the possibility of restructuring its foundations. Reyes Heroles said that "forumulas have been suggested that we hope can be carried out."

He also expressed Mexico's wish "that the United States reconsider its decision and contribute to improving UNESCO, or at least postpone its decision until the end of 1985, when the general conference can consider its proposals."

SEPULVEDA, FRANCE'S CRESSON DISCUSS ECONOMICS

PA232207 Mexico City UNOMASUNO in Spanish 19 May 84 p 8

[Text] Secretary of Foreign Relations Bernardo Sepulveda has stated that immediate action is needed to overcome the financial and trade inequities -- interest rate increases and protectionism -- that threaten to suffocate the world economy, particularly in the developed countries. Along these lines, at a news conference, Edith Cresson, France's Minister of Foreign Trade and Tourism, labeled as disastrous the U.S. decision to raise interest rates. At a luncheon offered in honor of the French minister, Sepulveda Amor stated that the difficult international economic and financial outlook, which is especially hard on the developing countries, stands out as the most important concern shared by the two countries.

On the other hand, at the closing of the first meeting of the joint Mexican-French Economic, Technical, and Scientific Cooperation Committee, Hector Hernandez, secretary of commerce and industrial development, pointed out that the Mexican Government insists on the need to initiaite, as soon as possible, a round of global negotiations which, within the framework of the United Nations, would draw the necessary attention to international problems on trade, industrial and technological development, nutrition, energy, and monetary matters.

In reference to the increase in international banking interest rates, he agreed with the French minister's position, pointing out that the increase not only affects the developing countries but the developed countries as well, and that it tends to create an international crisis and with it a return to protectionist measures, with the subsequent reduction in world trade. The increase, Sepulveda Amor said, endangers the shaky financial system and threatens to stifle the budding economic and trade recovery. He added that the protectionist measures do not allow trade to resume its role as a generator of world growth, and keep the developing countries from obtaining the foreign currency they need to finance their exports and development and service their debt. "The world economy would suffocate if the climate of financial restrictions and trade reduction prevails," he said.

At the same time, French Minister Cresson felt that it is necessary to create a new world order since even if the protectionist tariffs were eliminated, the developing countries' economies would not improve. Protectionism has been the dominant cause of the developing countries' economic difficulties, she said.

Meanwhile, at the committee's closing ceremony, Hernandez Cervantes explained that Mexico has managed to cut down to some extent the inflationary pressures, reduce financial imbalances, eliminate the foreign sector deficit [as published], and reach arrangements to restructure its foreign debt. He felt that the mutual interest evident in the word of the first meeting of the joint Mexican-French Economic, Technical, and Scientific Cooperation Committee indicates the existence of many possible ways to strengthen the bonds between the two countries in the transportation, communication, financial, and energy areas, as well as in the fields of planning and programming.

On another topic, at a private meeting between Foreign Secretary Sepulveda and French Minister Edith Cresson, she stated that the Central American countries must find a solution to their problems. With this in mind, she felt that only the Contadora Group was capable of ensuring that the principles of nonintervention and respect for the sovereignty and territorial integrity of nations will result in tangible measures that will put an end to the displays of force, violence, and foreign intervention. She concluded by saying: "The work of the Contadora Group will allow the Central American states to achieve their main objectives: democracy and development."

PRESIDENT: PROBLEMS REQUIRE 'NATIONALIST VIGOR'

FL292212 Mexico City NOTIMEX in Spanish 2124 GMT 29 May 84

[Text] Oaxaca, (Mexico), 29 May (NOTIMES) -- President Miguel de la Madrid has said here that Mexico, with its history, ideology, natural resources, and institutions, has a great destiny and will not exchange its national independence for expedient transactions. The Mexican president, presiding over a meeting of the State Planning and Development Committee, admitted that temporary difficulties make it necessary to take measures that are not pleasant for anyone, but he said that it is not necessary to give in to pessimism since Mexico has not received anything gratuitously.

He emphasized that if the Mexican forefathers acheived independence with a 1-year war enduring shortages and hardships, present generations must show nationalist vigor as they confront temporary problems.

During his 2-day trip through the state in southeastern Mexico, President de la Madrid inaugurated programs for rural development for Oaxaca Indians to improve the standards of living of the most depressed groups.

He also announced the most important tourism project of his term -- the Bahias de Huatulco project -- for which 200 million pesos is earmarked. The president said that the investment is a clear demonstration that Mexico is progressing despite the financial difficulties and the scarcity of resources.

FOREIGN SECRETARIAT ANALYZES POLICY OPTIONS

PA312121 Mexico City UNOMASUNO in Spanish 11 May 84 pp 1, 5

["Part 1" of report by Ricardo Aleman on Foreign Relations Secretariat's "Analysis of Mexican Foreign Policy on Central America and the Caribbean"]

[Text] Mexican foreign policy is based on the country's internal order, and at this time it is an exceptional tool for national security as well as part of the heritage of traditional Mexican politics. As a result of this Mexico seeks three basic objectives in the Central American region: to avert the danger of a regional war by reducing the stockpiles of arms; to foster the conditions that would allow area countries to exercise their right to self-determination and to seek solutions without foreign interference; and to counteract the growing U.S. interference in the area.

It can be foreseen that if Washington manages to implement its plans for the area, Mexico would be placed in a position in which it would have to withstand strong pressures, because it will be more vulnerable from the north having been blocked off from the south, especially with regard to bilateral relations in the economic field: investments, migrant workers, and so forth. If the Central American problem is examined from this viewpoint, sticking to the traditional principles of our foreign policy represents not only adherence to tradition but, and above all, protection of our national interests.

All of the above is part of an analysis of Mexican foreign policy on Central America and the Caribbean that was recently prepared by the Foreign Relations Secretariat. UNOMASUNO managed to obtain a copy of the analysis report.

The analysis warns that greater U.S. interference in the area would hinder all reasonable possibilities of separating the conflicts and isolating them in individual molds, and considers that it is highly unlikely that Washington might decide to destabilize the country because the effects would produce a backlash that would harm the United States itself. The analysis points out that the United States has many interests in Mexico and needs our government's cooperation in a vast number of issues.

The analysis recommends that the reality of the events in the Central American countries should be faced in an active and critical manner, "because if they are faced in an unconditional and non-critical manner the results will be politically unproductive, both domestically and internationally."

Another part of the analysis says that it is obvious that our country's foreign policy is not responsible for the economic problems that Mexico faces today. It explains that, to the contrary, Mexico's international policies have allowed it to maintain the prestige of its system and its form of coexistence, both at home and abroad, and that the prevalence and adequate use of Mexican foreign policy is one of the instruments that are allowing us to handle the complex circumstances that the nation is currently facing. The analysis says that to change foreign policy to make it conform to the prevailing circumstances would be false pragmatism, because the "vulnerability of developing countries increases in proportion to the absence of a clear vision of long-range national interests. [quotation marks as published]

Because of this, the analysis adds, it is obvious that Mexico cannot remain indifferent to any incident that threatens peace anywhere in the world, and must not ignore the prevailing situation in the Central American region, since it if very important for the country to have nations south of its borders whose situation will allow the establishment of fruitful forms of cooperation. The analysis warns that what is at stake in Central America is the very future of peaceful coexistence in the region. The goal of obtaining a military solution, as suggested by certain U.S. sectors, reflects historical myopia, because as long as the structural causes and the need for social changes persist, the idea of insurrection will be kept alive.

The analysis explains that due to the intricate makeup of the area's political forces it is difficult to find nations that are capable of undertaking mediating actions that will remove the barriers that are preventing an understanding. This is why Mexico has tactical importance in the region, because it does not seek any ideological benefits but only wants to ensure autonomy in the negotiations, which is vital because of the existing world conditions.

The analysis asks: What would result from a Mexican fallback vis-a-vis the region's problems? And it answers: Mexico's action has helped to bring to the fore the real causes of conflicts and the importance therefore of seeking a peaceful and negotiated solution. However, the analysis underscores that there are more important elements. In the medium term it is clear that the internationalization of conflicts represents a threat to Mexico. A generalized state of war in Central America would compel Mexico to adopt more radical positions to safeguard national security. The absence of Mexican diplomacy at this time would eventually create an even larger dilemma for the country, because the existing vacuum would trigger the need to resort to political positions that could lead us to a greater confrontation with the United States, which we might be able to avoid by maintaining Mexico's presence in Central America and the Caribbean.

The analysis explains that Mexico's foreign policy has been a fundamental instrument in strengthening national sovereignty and independence. The principles on which our international policies are based are rooted in the profound conviction that independence is possible only in an international society based on a state of law. It adds that far from molding our relationship with the outside world according to the factors prevailing at the time, Mexico should promote implementation of improved norms of coexistence at multilateral forums and in its bilateral relationships, because our national interests demand a diplomacy based on principles so as to safeguard our independence and promote the country's development. Although it has not always been practiced to the letter, this type of diplomacy has averted not a few conflicts and has halted or hindered the exercise of power politics by the large powers.

Later, the analysis says that it is logical to presume that in the medium term, beginning with the electoral contest in the United States, the circumstances are going to change, and not exactly in favor of the pacification of the area. Because of this possibility, it is advisable to maintain the diplomatic positions that have been achieved. Otherwise, through absence, we would be giving legitimacy to the U.S. policy that implies violations to the principles that regulate coexistence between states.

Regarding national security, it is necessary to gauge the extent of our actions and to plan them based on an internal program aimed as the adoption of suitable methods for relations with our neighbors, on a priority basis, and with the Latin American community, in second place.

This part of the analysis ends by saying that in this way, Mexico will be able to continue playing a positive role in the region, which coincides precisely with the country's vital interests. We cannot put off attending to, by means of firm and subtle diplomacy, the delicate situation that the Central American countries are experiencing and enduring.

VIGIL HELD ON LATIN AMERICA'S MISSING PERSONS

FL252052 Mexico City NOTIMEX in Spanish 1655 GMT 25 May 84

[Text] Mexico City, 25 May (NOTIMEX) -- A 12-hour vigil was held by some 80 people in Mexico City last night. The event was held to increase awareness about the cases of politically involved Latin Americans who have disappeared, which has happened particularly in Guatemala and El Salvador. The vigil was organized by the Salvadoran Oscar Romero Committee of Mothers and Families of Missing Political Persons and attended by the Guatemalan Committee of Families of Missing Persons and the Honduran Committee for the Defense of Human Rights.

Representatives from Guatemala -- from where more than 1 million persons have had to emigrate due to repression -- said that more than a third of Latin America's number of missing persons, some 35,000 persons out of 900,000 cases, [as heard] has taken place in Guatemala, where the people have lived under military regimes for 30 years.

The vigil was held where the theological community resides in the southern part of Mexico City. Representatives from Brazil, the Dominican Republic, Chile, and Colombia were present. A call was made to religious and political organizations to support the missing persons cause, which was described as a crime against humanity.

The Salvadoran representatives said they are fighting for life and peace, and reiterated that a pervasive climate of violence exists in El Salvador. The Honduran representatives said that there are some 112 cases of missing persons in Honduras, many of whom are foreigners. The Hondurans reiterated their opposition to the United States militarizing Honduras.

The Guatemalan committee group said that over the last several years approximately 100,000 Guatemalan peasants had emigrated to Mexico because of Army repression. The refugees presently live in the states of Chiapas, Tabasco, and Campeche.

STOCK EXCHANGE SELLS NATIONALIZED BUSINESSES

FL231900 Mexico City NOTIMEX in Spanish 1745 GMT 23 May 84

[Excerpt] Mexico City, 23 May (NOTIMEX) -- Manuel Cortina Icasas of the Credit and Service Bank's (Bancreser) Stock Exchange has said that shares of 339 businesses, which had been owned by the private banking sector before nationalization, were offered for sale yesterday. He said the sale would be made through Mexico's Stock Exchange and that the former owners of these businesses would have first option at buying the shares.

PSUM 1984 GUIDELINES, GENERAL GOALS PUBLISHED

For the apparent text of the "Central Committee Guidelines and General Aims for 1984," issued by the Third Plenum of the Central Committee of the Unified Socialist Party of Mexico, [PSUM] in Mexico City in January 1984, as published in the Mexico City ASI ES in Spanish of 26 March, see the JPRS LATIN AMERICA REPORT of 16 May (JPRS-LAM-84-060) pages 107-113.

CABINET DISCUSSES TREATY IMPLEMENTATION

PA310438 Panama City Televisora Nacional in Spanish 2300 GMT 29 May 84

[Text] A cabinet meeting, which lasted until early afternoon, was held at the Presidential Palace this morning. The members of the cabinet discussed a follow-up of matters concerning the canal, the return of certain areas to Panama, and other topics such as the participation of the military sector in the implementation of the letter and spirit of the Torrijos-Carter treaties.

At the end of the meeting, Fernando Manfredo told us that the implementation of these treaties continues to be top priority for the cabinet. Here is what Manfredo said:

[Begin recording] [Manfredo] We discussed three topics: The planning minister first explained the plans that we have for Panama's growing participation in the canal administration, including the training of personnel and other programs. We also discussed the implementation of the treaties with regard to military aspects. We talked about the implementation of Article IV which concerns these military aspects. Another topic discussed was the use of areas that are being returned. A long explanation was made about the use of these areas. A conclusion of all this was that there are many government agencies working on this implementation, but we need greater coordination and have to strengthen a specific agency to handle it. But most importantly, we need to carry out many of these plans.

[Luis Alberto Carrizo] Which agency would this be?

[Manfredo] Well, I don't know. The president would have to decide that. However, we are thinking of something like the former office of the Panama Canal Authority.

[Carrizo] In practice, how is the operation of these areas which have been returned going?

[Manfredo] The use of reverted areas is being done very slowly. However, things are not as easy as they seem because, as Engineer Zambrano explained today, there are certain areas which, because of their topography or the installations on it look like they can be used immediately, but when a closer look is taken one realizes that the existing installations were designed for a specific type of use. Consequently, if they are to be used differently, the necessary infrastructure must be constructed.

An important issue discussed today was the need to determine not only what role the government is to play in the development of these areas but what role the private sector should play, including the possible participation of that sector in the construction of the infrastructure. [end recording]

BRIEFS

UNIVERSITY RADIO STATION -- Professor Secundino Vega Mendez of the Social Communications Sciences Department of the University of Panama has reported that Emisora Universitaria, a university radio station will make test transmissions next week. The station, which will broadcast on FM, will use the transmission tower of Panama City Sistema de Television Educativa. [Summary] [Panama City MATUTINO in Spanish 25 May 84 p 12 B PA]

COSTA RICA

REPORTAGE ON PASTORA BOMBING, GOVERNMENT REACTION

Monge Orders Pastora Arrest

NC311600 Paris AFP in English 1538 GMT 31 May 84

[Text] Madrid, May 31 (AFP) -- Costa Rican President Luis Alberto Monge has ordered the arrest of Nicaraguan anti-Sandinist leader Eden Pastora, who was wounded yesterday in an explosion in Nicaragua, Costa Rican Information Minister Armando Vargas said here today. Mr Monge, who is in Madrid on an official visit to Spain, ordered that "Pastora be arrested as soon as he crosses the border," Mr Vargas said.

The explosion yesterday left at least four dead and 28 wounded at a press conference in a house on the San Juan River, which flows between Costa Rica and Nicaragua. Mr Pastora, nicknamed Commander Cero, has in fact crossed the border and is due to be admitted to a hospital in San Jose, the Costa Rican capital, Mr. Vargas said, adding that the guerrilla fighter would be expelled to another country, which has not been named, after he has recovered. Mr Vargas said Mr. Pastora left Costa Rica in March 1983 after authorities threatened him with expulsion if he refused to leave. Mr Pastora had said he would begin armed struggle against Nicaragua and this was "incompatible with his status as a political refugee," Mr. Vargas said.

Pastora at San Jose Clinic

PA311611 Paris AFP in Spanish 1601 GMT 31 May 84

[Text] San Jose, 31 May (AFP) -- Anti-Sandinist leader Eden Pastora arrived at the Biblical Clinic of San Jose this morning to be treated for injuries sustained in a dynamite attack last night. Red Cross officials who transferred Pastora from the border to the hospital did not say what his state of health was, although local radio media claimed that the guerrilla leader "is not too badly wounded."

Solano Offers Security

PA311829 Panama City ACAN in Spanish 1802 GMT 31 May 84

[Text] San Jose, 31 May (ACAN-EFE) -- Public Security Minister Angel Edmundo Solano reiterated here today that Eden Pastora will not be detained by the authorities and that, on the contrary, they will offer security to "Commander Cero," who entered a clinic of this capital today. Solano said that Pastora was offered facilities to enter Costa Rica to be treated professionally for his injuries for humanitarian reasons. Later, for the security of the guerrilla leader, the police were put in charge of guarding him and protecting him until he recovers, the minister added. Once he is out of danger, they will seek a third nation to grant him asylum, fulfilling the legal requirement that prohibits Pastora from staying in Costa Rica permanently, Solano explained.

Meanwhile, the National Security Council has been meeting for several hours, analyzing the situation created by the attack on the life of the commander of ARDE in his general headquarters in Nicaragua.

No opinion or resolution has been issued by the council.

Medical Bulletin

PA311841 Panama City ACAN in Spanish 1806 GMT 31 May 84

[Excerpt] San Jose, 31 May (ACAN-EFE) -- The doctors treating Eden Pastora, commander in chief of ARDE, and Commander Tito Chamorro in the Biblical Clinic declared that his state of health is "satisfactory." The first medical bulletin signed by Doctors German Naranjo and Juan Bautista Perez states that "the injuries of the patients are not mortal.' Chamorro sustained an injury to his right eye and nose and lacerations over his entire body. Commander Pastora suffered first degree burns in the upper chest and face. From his bed, the guerrilla leader sent a recorded message to his troops, which members of his group did not reveal.

Pastora Addresses Troops

PA312301 San Jose Radio Reloj in Spanish 2054 GMT 31 May 84

[Text] Commander Cero [Democratic Revolutionary Alliance, ARDE, armed forces commander] has just made statements from the Biblican Clinic where he is recovering from injuries. Here is Commander Eden Pastora:

[Begin Pastora recording] In these moments [words indistinct] of one of the extremes when the destiny of the Nicaraguan people is being determined. I am alive after this terrorist attack, I repeat, carried out by one of the two extremes, either the right or the left, and I want to address the people of Nicaragua, the peasants with whom I have always talked, the workers, the market vendors, the students, but I particularly want to address the troops, the companero combatants of the Sandino Revolutionary Front [FRS], the companero chiefs of FRS troops to explain to them the critical situation we are in and to ask them to not be caught by surprise by distorted news reports, because the extremes are going to spread rumors to lower the morale of troop chiefs, troops, and chiefs of military zones in [word indistinct] Nicaragua, southern Nicaragua, and the Atlantic, where the morale of our Miskitos, Sumus, and Ramas brothers might be affected.

We are well; we are well because we again harassed our enemy. In approximately 1 month, or 2 at the most -- after we recover from the slight injuries caused by the terrorist bomb -- we will return to our mountains. The rest and recovery period will be used to carry out international work and seek, as I told you, the necessary resources for our war of liberation against foreign invaders, the national lackeys, the traitors of our people and our revolution, a totalitarian revolution. The other extreme, the right, is as harmful and detrimental [words indistinct] for our people as the leftist extreme that is ruling Nicaragua now.

Therefore companeros, I want to inform you about my physical condition: I have small burns on my face and right arm. I also have burns on the thorax, on the left side of it [corrects himself] ...I mean on the right side of it. I have torn muscles in the left calf and three pieces of shrapnel in the right leg.

This is nothing compared to what happened there. [Words indistinct] that cut off legs of some of them. It was a Dantesque scene that only the extremes can create. It was a scene of brother Costa Rican and U.S. newsmen who lost their lives as a result of a terrorist action carried out by the extremes. We still don't know which extreme did it, but we will announce it when we find out. They were companero newsmen who lost their lives for committing the serious crime of telling the world the truth about what is happening in southern Nicaragua and [word indistinct].

[Words indistinct] for the extreme left as shown by the strict press censorship. It is a serious crime to tell the people the truth, and the Managua government only wants our people to hear a single voice: the voice of (?hatred). This is the reason for the killing of the four newsmen, two of them from the United States, one of THE TICO TIMES and the other of the (?WASHINGTON POST), and two Costa Rican brothers [words indistinct].

Companeros of the FRS, companero chiefs of troops, companero combatants of the FRS, after this attack we can again tell our enemies that true Sandinists, true revolutionaries do not sell themselves out or surrender, regardless of the number of terrorist attacks that are ordered.

Get ready every day for new clashes and actions for freedom [words indistinct].

During my recovery I will continue to work, looking for bullets, bullets, and more bullets. They are the bullets which our rightist and leftist enemies [words indistinct] in the hands of FRS revolutionary combatants to achieve the true freedom and nationalist revolution of Sandino's dreams, to achieve the democratic and free revolution, a revolution free of Moscow and Washington.

Even if they order my assassination, even if any of these fanatics who are fighting over world hegemony order my assassination, I tell them that a Sandinist will never be defeated. Free fatherland or death! [end recording]

Pastora To Leave 1 Jun

PA010015 Paris AFP in Spanish 2344 GMT 31 May 84

[Text] San Jose, 31 May (AFP) -- Commander Eden Pastora, chief of the Democratic Revolutionary Alliance (ARDE) guerrillas, will be transferred to Venezuela on Friday, according to Public Security Ministry sources. Public Security Minister Angel Edmundo Solano met this afternoon with Pastora, who is hospitalized in San Jose, to define his transfer to Caracas.

Pastora was received by Costa Rica temporarily "for humanitarian reasons." The Government of Costa Rica had for more that 1 year prohibited his entry into the country in order not to compromise its "political neutrality."

Sources at the Biblical Clinic, where the guerrilla leader is staying, said that Pastora has not undergone surgery in order to facilitate his transfer to Venezuela. Pastora suffered burns and wounds from shrapnel in the face and legs in a bomb explosion last night, which put a tragic end to news conference he had called on the Nicaraguan bank of the San Juan River.

Pastora Accuses CIA

PA010248 Panama City ACAN in Spanish 0216 GMT 1 Jun 84

[Text] San Jose, 31 May (ACAN-EFE) -- With a face swollen from burns and speaking with some difficulty, Eden Pastora, the anti-Sandinist commander, in an exclusive statement for ACAN-EFE, has said that the attack he suffered was the work of the CIA. "It was the CIA, and no one is going to convince me otherwise. They did it, and it was done as a punishment because we refused to give in and join the Somozist forces," Pastora said.

Costa Rican security forces guard the entrance to the Biblical Clinic, where Eden Pastora and his second-in-command Tito Chamorro were admitted this morning. The press is not authorized to see Pastora, but an ACAN-EFE correspondent was able to reach his room.

Pastora has to speak slowly and shows first-degree burns on the chest and face. Shrapnel from the bomb, which according to the latest reports killed 8 persons and injured 22 are still lodged in Pastora's legs. Pastora, who has kept his spirits up, muttered: "I will return to the mountains soon -- sooner than anyone expects."

Death Toll Rises to 8

PA312311 Panama City ACAN in Spanish 2235 GMT 31 May 84

[Text] San Jose, 31 May (ACAN-EFE) -- The number of dead in the attempt on Eden Pastora's life has risen to eight according to reliable private sources. This increase in the number of victims was reported after reports on the number of Nicaraguans wounded and killed at the La Penca garrison, where Commander Cero was almost killed, began to come in. However, it has not been possible to obtain any information about the names or identities of the several guerrillas who were killed, with the exception of "Rosa," who was in charge of the rebels' communications. The others who have been identified include U.S. journalist Linda Frazier and television cameraman Jorge Quiros Piedra.

The Red Cross has identified most of the injured journalists. They are: Carlos Vargas Gene (Costa Rican, from LA REPUBLICA daily), Jose Rodolfo Ibarra (Channel 7), Gilberto Lopen (Brazilian AFP correspondent), Nelson Murillo (Channel 6), and Gerardo Fonseca, from the San Jose daily LA NACION.

Also listed are William Cespedes (Radio Reloj and UPI correspondent), Juan Carlos Ulate (LA REPUBLICA photographer), Susan Morgan (British, NEWSWEEK magazine), Perdyl Gancel (Swedish television), Grett Recht (not further identified), Berl Horgel (Danish), Roy Gordon Miller, and Edgar Romano Cruz.

Another Red Cross list includes: Federico Garcia and Evelio Sequeria, from Channel 6, Roberto Cruz from XINHUA NEWS AGENCY, Tony Avirgam (U.S., ABC), Peter Toraunsa (Swedish), and Fernando Prado (Bolivian).

Guerillas Horacio Gonzalez, Wilberto Kaaron, and Lidionel Bogarin are also listed.

OFFICIALS SAY CIA 'URGED' FDN, ARDE MERGER

PA311325 Buenos Aires LATIN in Spanish 0825 GMT 31 May 84

[Excerpt] San Jose, 31 May (LATIN-REUTER) -- Costa Rican security officials said last night that the CIA has urged two Nicaraguan rebel forces, financed by the CIA, to join forces by the end of this week. The Nicaraguan Democratic Force, FDN, based in Honduras and the Democratic Revolutionary Alliance ARDE, based in Costa Rica, are stongly dependent on the CIA for their attacks against Managua's Sandinist government, despite the two organizations' different ideologies. The sources were not in a position to determin what action the CIA would take if the two groups do not reach an agreement. Neither were the sources willing to reveal how they obtained the information on the ultimatum.

'COMMUNIST SPIES' NETWORK, OPERATIONS DISCLOSED

PA311654 San Jose Radio Reloj in Spanish 1200 GMT 30 May 84

[Summary] "Our previous reports on the existence of a vast international espionage network at the service of communist countries have been confirmed. Our informants throughout the nation have turned in data which, along with that obtained by our editors, provide complete infromation, in the manner of a scoop, about the activities that these secret agents are carrying out. It has been confirmed that the area of activities of the national and international spies operating in our country extends from Guanacaste Province to Los Chiles, Upala, San Carlos, the Atlantic zone, and Sarapiqui."

Los Chiles canton is reportedly where the best communist spies operate. One of the leaders there, an individual named Porta, travels frequently to San Pancho in Nicaragua to deliver the reports he receives from the other spies in Los Chiles. Cruz is the last name of another of the spy leaders in Los Chiles. Other names associated with this espionage network include Blandon, Medrano, Tejada, Vianey, Gonzalez, and Rojas. "The mission of these secret agents is to report on all the movements of our Civil Guards stationed in Los Chiles and, naturally, the activities carried out by the anti-Sandinist elements."

In Guanacaste, the four Avendano brothers head the international intelligence service. They often meet with their Nicaraguan chiefs in Isla Bolanos. In Upala canton, six men -- whose last names are Santana, Urtrecho, Centeno, Sevilla, Espinosa, and Valenzuela -- are in charge of the espionage network. This group passes all its information to Nicaragua. San Carlos canton is the secret agents' major base, and in Sarapiqui, where several names have been associated with the network, the spies maintain ties with an embassy in San Jose. Finally, a Costa Rican Government official was reportedly discovered in Rio Frio using a radio system to send coded messages to the Nicaraguan Government.

The Costa Rican Government is aware of this situation and reportedly several very lengthy and detailed reports have been prepared on this problem. "The highest-ranking authorities in the Presidential House are aware of the movements of the international secret agents at the service of communism but, naturally, the measures to be adopted to either put an end to or at least minimize the problem remain strictly confidential."

'SURGERY' SEEN NECESSARY FOR ECONOMIC PROBLEMS

WA011230 Rome IPS in English 29 May 84

[By Ufran Garcia]

[Text] San Jose, May 29 (IPS) -- Costa Rican President Luis Alberto Monge's administation has a new diagnosis of the country's economic crisis, and is recommending major "surgery" to streamline the private and public sectors. In its first two years in office, the administration has tried to increase production and exports to earn crucial foreign exchange, but those efforts have not paid off. In addition, an agreement with the International Monetary Fund for $53 million has not been finalized because Costa Rican lawmakers are balking at IMF conditions. A $190 million credit from the U.S. Agency for International Development (AID) is linked to an accord with the IMF, according to officials here.

Costa Rican officials now say they will attack the problem at its roots, by eliminating the "atrophied" areas of production and government agencies. Costa Rica entered the current economic crisis in 1980, and has since watched foreign debts mount to $4 billion, the currency suffer devaluations totalling 500 percent and growth drop below the zero mark for two consecutive years. Since he took office on May 8, 1982, Monge has repeatedly stressed that increasing production and sales abroad are the only ways to reactivate the economy. But top officials, such as Planning Minister Juan Manuel Villasuso, are now looking to other solutions. Villasuso, who took over the Planning Ministry at the beginning of this year, noted recently that the new initiative for structural changes is in line with a financial adjustment plan laid out by the World Bank, which has promised Costa Rica $300 million if the program is followed.

The minister cited three priority areas which need "surgery." "I have said many times that we need a new export sector," Villasuso noted, "because we cannot reach that objective (increased exports) with the production structure we have." The "new" production sector requires modern technology that will reduce costs, he said, and must put special emphasis on tailoring specific products to specific markets. But Villasuso stressed that Costa Rican producers must not try to become more competitive by "reducing the workers' standard of living, paying them less." The key is "technology that increases their productivity," he said, "because we have trained manpower and we have spent a great deal on education." In 1983, Costa Rica exported products worth about $850 million, but spent more than $1 billion on imports.

The second priority area for major modifications is the state-run banks, according to Villasuso. The banks are now "definitively out of date," he said, working with "shackles that do not let them operate efficiently." Costa Rica nationalized some banks in 1949, and prohibited private banks from holding public deposits.

The third area for "surgery," Villasuso said, is the public sector, which he said is larger than Costa Rica needs. "The key words are rationalizing spending, which may be different from reducing it," he said. A study of state spending will undoubtedly show that some of the costs are not showing proportionate results, according to the planning minister.

Administration officials say the Costa Rican economy has now stabilized, since inflation fell from 82 percent in mid-1982 to the current 12 percent figure. They also point to the strengthening colon, the national currency, which has risen from 65 colons per U.S. dollar two years ago to 43.65 colons per dollar at the end of 1983. Government experts project that the Gross Domestic Product (GDP) will reach three percent this year, after zero GDP growth last year and negative nine percent in 1982.

But missing from the government's plans to reactivate the economy is an agreement with the IMF. Costa Rican officials began negotiations with the IMF last November and signed a letter of intent on $53 million in loans for this year, but disbursement hinges on the legislature's approval of certain economic measures. To sign the letter of intent, the Monge administration had to cut the budget deficit from six to two percent of the GDP and fix new taxes. Monge protested that the IMF's requirements were too stiff and charged at the end of last year that the international loan body was "trying to destablize Costa Rican democracy," but he admitted that it would be "catastrophic" to break with the fund. The main obstacle to an IMF accord now is the Costa Rican legislature, where even members of the ruling National Liberation Party are blocking approval of some of the measures demanded by the IMF.

One of the most controversial IMF conditions is changes in the currency law in effect since 1953, which would prohibit contracts in dollars in Costa Rica and would allow the Central Bank to channel investments abroad through private banks. Ruling party legislator Julio Jurado is a staunch opponent of giving private banks the power to move funds out of the country, because "it is an attack on the bank nationalization." Other government party legislators are also resisting the move, some of them on the grounds that it is simply an attempt by Monge and his ministers to please the IMF. The proposed prohibition of contracts in foreign currency is aimed at abolishing a current law which allows companies to make certain foreign payments, such as for oil and medicine imports, at a special exchange rate of 20 colons per dollar. Many officials see that rate as too far from the "realistic" rate of 43.65 per dollar. Jurado said recently that he opposes the proposed currency legislation changes because "the rules of the game in Costa Rica are being dictated by U.S. AID officials."

Another condition set by the IMF is a 25 percent tax increase on gasoline, which also faces resistance from both ruling party and opposition legislators. The congressional delay in approving the measures is putting a severe crunch on Costa Rica's foreign exchange reserves, and Treasury Minister Porfirio Morera warned yesterday that the country may have to start cutting back on imports to meet foreign debt payments. Last year the IMF provided Costa Rica with $100 million in loans, and AID loaned the country more than $327 million in the first 18 months of the Monge administration.

EL SALVADOR

PDC REPRESENTATIVE ANNOUNCES NEW CABINET

PA312333 San Salvador Radio Cadena YSU in Spanish 1800 GMT 31 May 84

[Announcement of the new Salvadoran Cabinet list; read by (Gerardo Chevalier Contreras), representative of the Christian Democratic Party, PDC; date and place not given -- recorded]

[Text] Minister of the Presidency	Julio Adolfo Rey Prendes
Deputy Minister of the Presidency	Edgar Ernesto Belloso Funes
Minister of Planning	Fidel Chavez Mena
Deputy Minister of Planning	Ernesto Alwood
Minister of Foreign Affairs	Jorge Eduardo Tenorio
Deputy Minister of Foreign Affairs	Ricardo Acevedo Peralta
Deputy Minister of Interior	Roberto Edmundo Viera
Minister of Defense and Public Security	General Carlos Eugenio Vides Casanova
Deputy Minister of Defense and Public Security	General Rafael Flores Lima
Minister of Justice	Manuel Francisco Cardona Herrera

Deputy Minister of Justice	Dina Castro de Callejas
Minister of Economy	Ricardo Gonzalez Camacho
Deputy Minister of Economy	Ramon Diaz Bach, Jr
Minister of Foreign Trade	Manuel Morales Ehrlich
Deputy Minister of Foreign Trade	Maria Luisa Acevedo
Minister of Treasury	Ricardo J. Lopez
Deputy Minister of Treasury	Luis Eduardo Melendez Flores
Deputy Minister of Income [Ingreso]	Jorge Barraza
Minister of Education	Alberto Buendia Flores
Deputy Minister of Education	Dinora Arias de Michel
Deputy Minister of Culture	Osmin Antonio Magana
Minister of Public Health and Social Services	Dr Benjamin Valdez, Jr.
Deputy Minister of Public Health and Social Services	Dr Gonzalo Beltran Castro
Minister of Agriculture and Livestock	Carlos Aquilino Duarte Funes
Deputy Minister of Agriculture and Livestock	Jorge Ruiz Camacho
Minister of Public Works	Ernesto Rodriguez
Deputy Minister of Public Works	(Mauricio Shufy)
Deputy Minister of Housing and Urban Development	(Rosa Emilia Posada Sanchez de Torres)
Minister of Labor and Social Welfare	Julio Alfredo Samayoa, Jr
Deputy Minister of Labor and Social Welfare	Miguel Alejandro Gallegos
Private Secretary to the Presidency of the Republic	Major (Alvaro Salazar Brenes)
Personal Secretary to the Presidency of the Republic	Oscar Reyes
Secretary of Information of the Ministry of the Presidency	Ernesto Belloso Funes
Deputy Minister of Public Security	Colonel Carlos Reyenaldo Lopez Nuila
Presidential Commissioner for Economic Affairs	Atilio Vieytez
Presidential Commissioner for Integrity	(Pedro Rene Yanez)
Presidential Commissioner for Education Reforms	(Rafael Jose Menen)

DEFENSE MINISTER ON OPERATIONS, REORGANIZATION

PA312038 San Salvador EL MUNDO in Spanish 30 May 84 p 2

[Text] "The Armed Forces are carrying out positive actions to keep the guerrillas from concentrating to stage an offensive in September or October this year," Defense Minister Carlos Eugenio Vides Casanova said when interviewed at noon yesterday by national and foreign journalists. This was his answer when asked about the country's current war situation and about the Armed Forces' struggle against the extremists. According to the minister, the different operations currently under way in various zones of the national territory have been planned for tactical purposes, to dismantle the guerrilla camps and neutralize any chance that the extremists might concentrate.

He flatly denied that the purpose of the Salvadoran troops' participation in the 'Grenadier I' maneuvers, jointly begun last week in Honduran territory with U.S. and Honduran forces, is to fight the Salvadoran guerrillas from the rearguard. "This is completely false. These are military training operations, like any others. What one of the clandestine stations said seeks to conceal the guerrillas' negative situation, as they are being dealt setbacks," the minister explained.

He added that for the time being there are no plans to reorganize the Armed Forces. He denied that there might be any changes in the general order [orden general] of 31 May, as this order will be issued after President-elect Duarte takes office. "Whether or not it is appropriate to implement a structural reorganization of the Armed Forces will be determined after conducting a joint study with President Duarte," he said while denying that General Rafael Flores Lima will be removed from the post of deputy defense minister to be replaced by Colonel Carlos Reynaldo Lopez Nuila. "For the time being no decisions have been made concerning any changes," he added.

General Vides Casanova then said that he was honored to learn that he might be confirmed in his post by a president who was elected by the people. "I shall respond with loyalty and sincerity to that honorable distinction and to the trust accorded me. I believe my comrades-in-arms will do the same," he commented.

When asked his opinion about the guerrilla's recruitment of young people, he answered that this confirms the situation confronted by the subversives, who have sustained many casualties. Colonel Adolfo Blandon, chief of the Armed Forces General Staff, agreed with this view, adding that the kidnapping of youths, who are then enrolled in the guerrilla movement, "is a desperate action by the extremists." According to him, the extremists have sustained many casualties in recent months, and by recruiting these young people they seek to replenish their ranks. He added that the 1st Infantry Brigade is carrying out rescue operations on behalf of the young people kidnapped on Guazapa Hill, and that many have already been rescued.

VENCEREMOS REPORTS ON OPERATIONS IN USULUTAN

Clashes on Coastal Highway

PA010406 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 31 May 84

[Text] More fighting in the Francisco Sanchez Southeastern Front; pay attention to the following report: On 28 May, our FMLN forces attacked enemy positions at the (?Perez Gamar) farm on the Coastal Highway, Usulutan Department. Our revolutionary forces opened fire on two infantry positions of the dictatorship, killing two soldiers and wounding five.

We repeat: The total was two soldiers killed and five wounded. In sum, we inflicted seven casualties on the troops that defend the privileges of rich oligarchs and the imperialist interests.

More military reports; attention! In Usulutan Department there were more clashes with troops of the Army defender of the privileges of rich oligarchs. Attention! On 30 May, FMLN forces attacked dictatorship positions. Fighting ensued on the Coastal Highway. Here is the report:

On 30 May, FMLN forces occupied a stretch of the Coastal Highway near the Joval-(Hornoc) turnoff in Usulutan Department. We killed two soldiers and wounded two. Our military forces withdrew from the site of the incident without any problem.

We were also told that at 0630 FMLN combatants clashed with a cavalry battalion supported by two tanks on the Coastal Highway. One of our fighters was slightly wounded in this clash.

This report was sent by Companero Commander Roberto Jimenez from the Francisco Sanchez Southeastern Front of Usulutan Department.

Airborne Troops 'Foiled'

PA010402 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 31 May 84

[Text] We will now repeat an important report on a disaster that the dictatorship experienced in the landing of airborne troops in Usulutan Department. At 0600 on Friday, 25 May, members of the dictatorship's airborne battalion tried to carry out an attack on one of our positions with these special forces. This occurred in (Chicatenango), Potrerillos, in the coastal area of Usulutan Department. They landed special airborne troops which were carried in 10 UH-1 helicopters and were backed by 2 (?T-2) planes and 2 A-37 dragonfly planes. They covered the landing of the airborne troops. When our troops became aware of this action they began a military maneuver. They surrounded the enemy troops. This maneuver forced the paratroopers to quickly ask the helicopters to return to pick them up in order to retreat. The airborne troops fled in disarray. They boarded the helicopters which came to their aid in a desperate move to try to save these special troops [words indistinct] the encirclement by the FMLN.

Attention! We inflicted 10 casualties during this disastrous operation by the top Army command and the U.S. advisers. We repeat, the FMLN inflicted 10 casualties, including dead and wounded, during this foiled operation of airborne troops.

The enemy, afraid of being [word indistinct] and annihilated, abandoned our area humiliated and persecuted. This report was sent by Companero Commander Roberto Jimenez from Usulutan Department.

The new operation carried out by airborne troops carried by helicopters failed in Usulutan Department. The top Army command and the U.S. advisers should be ashamed in the face of the constant and repeated failures of their military tactics. But the people, who sometimes march to combat with torn shoes, do not stop in the face of the Yankee war technology. It is a people's army which continues with its heroism, audacity, and national dignity. [Words indistinct] Yankee imperialism.

GUATEMALA

GOVERNMENT REJECTS HONDURAN TERRITORIAL CLAIM

PA311600 Panama City ACAN in Spanish 2230 GMT 30 May 84

[Text] Guatemala City, 30 May (ACAN-EFE) -- The Guatemalan Government today energetically rejected Honduras' territorial claim to the cays of Zapotillos, Belize. The claim had been made here by Honduran Foreign Secretary Edgardo Paz Barnica.

Guatemalan Foreign Minister Fernando Andrade reiterated during a news conference today that although his country respects the right to self-determination of peoples, "Guatemala once again is establishing its intent to recover its rights over all the territory of Belize." Andrade noted: "Guatemala will not accept the intervention of other countries in the case of Belize." Paz Barnica, who yesterday made an official visit to Guatemala, said that "the Honduran Constitution includes an article which states that the Belizean cays of Zapotillo are Honduran territory."

"Of course we don't accept that," Andrade said. "Guatemala," he added, "is claiming all the territory of Belize, not part of it, for historical and legal reasons." The foreign minister explained: "Guatemala is holding negotiations with the United Kingdom to find a definite solution. This solution must take into consideration the interests of all the parties involved in the Belize matter."

Andrade added that when Belizean Premier George Price visited Tegucigalpa last February, "Guatemala regretted this situation, especially since it involved a sister country with which we have very close ties." "Anyway," Andrade noted, "we respect the national sovereignty of Honduras and its right to invite the representatives of governments it recognizes."

Foreign Minister Andrade reiterated that Guatemala maintains its position of not recognizing the independence that the United Kingdom unilaterally granted Belize in September 1981.

POLITICAL PARTIES OBJECT TO BALLOT DETAILS

PA010225 Guatemala City PRENSA LIBRE in Spanish 30 May 84 p 4

[Text] The majority of political parties that will participate in the election of deputies to the constituent assembly yesterday issued a communique disapproving of the Supreme Electoral Tribunal's decisions regarding the size, number, color, and other aspects of the ballots. Representatives of 13 political parties who signed the communique objected to the size of the ballot, which they claim will increase the possibility of having null votes. They also disagreed with having to use two ballots, which they say will only confuse the voters, and having two colors on the ballots, because this will adversely affect the parties' symbols. They say the parties' symbols should fill the entire space assigned to each party on the ballot and that any additional inscription should be omitted.

The communique is signed by the representatives of the AD [Democratic Alliance], FDP [Popular Democratic Front], PR [Revolutionary Party], PNR [National Renovating Party], CAN [Nationalist Authentic Central], PDCN [Democratic Party of National Cooperation], MLN [National Liberation Movement], FCD-5 [Democratic Civic Front], MEC [Emerging Movement for Harmony], PUA [Anticommunist Unification Party], PID [Democratic Institutional Party], CND [Democratic National Coordinating Board] and UCN [National Union of the Center].

FUR CONCERNED OVER 'INCREASED VIOLENCE'

PA010154 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 31 May 84

[Text] The United Revolutionary Front, FUR, has issued a public statement expressing concern over the increased violence in the country. The document states that the country is in the process of returning to constitutional order, but warned that should the wave of violence unleashed in recent days prevail, it may produce the loss of faith in the democratic process already under way.

HONDURAS

PAZ BARNICA ON 'GRENADIER,' BELIZE, REFUGEES

PA311550 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 30 May 84

[Text] Honduras and Guatemala today reaffirmed their support for the peace efforts in Central America by the Contadora Group and underlined the need for a peace treaty to settle the problems of the region. Guatemala Foreign Minister Fernando Andrade and Honduran Foreign Secretary Edgardo Paz Barnica issued a joint declaration to that effect at the end of the 24-hour visit to this country by the Honduran foreign minister.

At a news conference, Paz Barnica focused on the joint Honduran-U.S. military maneuvers being conducted, and noted that this is part of the peace plan to defend the sovereingty and territorial integrity of Honduras, but does not signify in any way a threat to Central America peace.

[Begin Paz Barnica recording] What are the military characteristics and objectives of these maneuvers, which have very limited characteristics? They are to technically train the Honduran Armed Forces, as it is the sovereign right of every state to promote its own internal defense, within the territorial private domains of that state, so long as it does not overstep the territorial limits of another state, because then this would (?distort) what is known in international law as the international responsibility of the state. Another fundamental objective is the [words indistinct] before the menace of the excessive arms buildup of the Nicaraguan Government. One characteristic is their essentially transitory nature. To the extent that Central American problems are resolved within a global and regional context, the maneuvers will be gradually reduced until they are totally suspended.

Central America is being affected by a military and security imbalance at the regional level due, without doubt, to the excessive arms buildup of the Nicaraguan Government. This cannot be denied, and the Nicaraguan regime itself does not deny it. The Nicaraguan Government claims to have the ability to maintain an Army of approximately 300,000 men. The Honduran Armed Forces have approximately 18,000 men, including the police and public security forces. Then, we are training our Armed Forces to comply with their fundamental duties -- those assigned by the Constitution, such as the defense of national sovereignty and territorial integrity, but never to be an instrument of aggression against any Central American country.

We believe that one of the main objectives to achieve a stable peace in Central America is the reestablishment of terms of security in the region: that is, an inventory of arms and foreign military advisers, of military and paramilitary elements, militia men, and so forth. This inventory should also serve to determine the type of weapons strictly necessary for a state to defend its sovereignty and territorial integrity and to maintain public order. [end recording]

Referring to the case of Belize, the foreign minister said:

[Begin Paz Barnica recording] We respect the position of Guatemala as sovereign state concerning Belize. However, as a sovereign state, Honduras also maintains normal relations with Belize. We have some bilateral issues to discuss with Belize. That was the reason we extended an invitation some months ago to the prime minister of that country, George Price. One of those issues is the search for formulas of cooperation and solution concerning the Zapotillo cays which, according to the Honduran Constitution, belong to Honduras. That is a sovereign decision of Honduras, just as Guatemala has another sovereign decision, and any other country could also have a sovereign decision. I do not believe such decisions merit an armed confrontation. On the contrary, I believe all those problems can be resolved through dialogue and negotiation, with the appropriate mechanisms for peacefully resolving controversies and for understanding, all of which can be achieved through good will. [end recording]

The Honduran Government expressed its opposition to the presence of foreign military advisers in its territory, but that decision largely depends on what the Nicaraguan Government will do, Paz Barnica added.

[Begin Paz Barnica recording] The Hondural Government favors the position that all foreign military advisers in the country, including U.S. advisers, should leave, as long as Nicaragua does the same, and as long as this initiative becomes a mechanism involving a global and regional solution -- that is, a general treaty of peace, democracy, cooperation, security, and so forth. That has been our position to the Contadora Group. [end recording]

Finally, Paz Barnica said the Guatemalan refugees in Honduras are being relocated far from the border region for their personal security.

[Begin Paz Barnica recording] We have approximately 50,000 refugees, received with the cooperation of the UN Office of High Commissioner for Refugees, UNHCR, including thousands of Nicaraguans, Salvadorans, and Guatemalans. In conformity with the UNHCR, we are trying to relocate them far from the border for their own security. [end recording]

MANAGUA REPORTS PROTEST AGAINST U.S. TROOPS

PA311500 Managua Radio Sandino Network in Spanish 1200 GMT 31 May 84

[Text] Tegucigalpa -- Tens of thousands of persons have participated in demonstrations to protest the increasing U.S. military presence in Honduran territory. Tens of thousands of Hondurans yesterday gave vent to their true feelings when they marched through the main streets in Tegucigalpa for more than 2 hours, shouting "Yankees, you are trash, get out of Honduras" and "No U.S. Marines wanted in Central America." The problems created by the large number of U.S. troops have spread to every sector and increased the people's concern, because they are afraid of catching the contagious diseases that are being spread by the soldiers participating in the 'Grenadier I' military maneuvers.

OFFICIALS DEFEND CONTROVERSIAL TAX PACKAGE

PA310428 Paris AFP in Spanish 0252 GMT 30 May 84

[Text] Tegucigalpa, 29 May (AFP) -- Economic officials of the Honduran Government tonight reiterated that the implementation of a new tax package, designed to generate yearly revenues of 25 million, is "the only immediate solution" to the country's financial crisis.

Speaking over a radio network, the executive secretary of the Higher Council of Economic Planning and the secretaries of economy and commerce and finance and public credit insisted that without the new taxes Honduras would not be able to pay even the interest on its $1.1 billion foreign debt.

They warned, moreover, that without this revenue the budget deficit, estimated at over $150 million, would be unmanageable and that cutbacks in education, health, and land reform programs would be even greater than those decreed early this year.

Nevertheless, independent sectors maintain that the taxes should be levied on other sectors. To make their point, they indicated that merely standardizing the banana export at $1.00 per case would provide the $25 million that the government hopes to obtain with the new tax package.

Meanwhile, a group of over 30,000 workers, the greatest number to protest in Tegucigalpa in the last 2 years, staged a demonstration today (?to demand) the revocation of the new tax package. The demonstration dispersed peacefully at dusk.

FINANCE MINISTER DISCUSSES MILITARY EXPENSES

PA311650 Tegucigalpa Domestic Service in Spanish 1130 GMT 30 May 84

[Excerpt] Because we consider it important to the Honduran people, we will now repeat portions of the press conference given yesterday by several government officials linked to the country's economic policy, at which they explained the real situation of the Honduran economy and the scope of the tax reforms that go into effect today.

Our first speaker was Finance Secretary Arturo Corleto, who explained Honduras' economic contribution to the joint military maneuvers with the United States.

[Begin Corleto recording] As I explained during my speech, several projects were in danger of paralysis due to a lack of national funds. In regard to our military expenses, the greater part of the expenses for joint operations -- through a bilateral agreement between the U.S. Government and the Honduran Government -- are being absorbed by the United States. Therefore, an airport was jointly constructed, Palmerola Airport -- the only one we are aware of -- which constitutes the lesser part of the investment that has been made there. Furthermore, we must remember that our neighbors are not idle; they have war equipment far superior to our country's, and we therefore think that our border security and our internal security are important points in our strategy to maintain democracy and peace. However, I must reiterate that the additional resources destined for military uses are minimal, and that the costs of these joint operations -- as you can ascertain through statements made by U.S. officials -- are being absorbed by the U.S. Government. [end recording]

BRAZIL'S INFLUENCE IN COUNTRY SAID INCREASING

PA300400 San Jose Radio Reloj in Spanish 1200 GMT 29 May 84

[Text] Tegucigalpa -- Brazil has begun replacing Argentina's influence in this country, with support from the United States and General Walter Lopez Reyes, the new Honduran Armed Forces commander. Authoritative political sources told ACAN-EFE yesterday that Gen Lopez Reyes intends to increase the cooperation from that South American country. They added that Brazil's influence will replace that which Argentina has exerted on Honduras, which began to wane following the downfall of General Gustavo Alvarez' military regime.

NICARAGUA

REPORTAGE ON REACTION TO ATTACK ON PASTORA

Radio Sandino Reports Incident

PA311307 Managua Radio Sandino Network in Spanish 1200 GMT 31 May 84

[Text] San Jose -- Counterrevolutionary Eden Pastora Gomez was gravely injured last night when a powerful bomb exploded while he was holding a press conference with a group of Costa Rican and foreign journalists at a place known as La Penca, on the border between Costa Rica and Nicaragua on the San Juan River.

Three persons were killed and 28 injured, mostly newsmen, according to the information. This includes a U.S. newswoman, whose legs were blown off, and the counterrevolutionary leader "Tito Negro" Chamorro. The explosion, according to an EFE report, took place at one of Pastora's military warehouses for ARDE [Democratic Revolutionary Alliance].

The Somozist counterrevolutionaries have been experiencing internal conflicts over the leadership of their aggression against the Nicaraguan people, financed by the U.S. Government through the CIA. ARDE factions divided when the traitor Pastora rejected a military alliance with FDN [Nicaraguan Democratic Fore] Somozists, who act from Honduran territory. He said he could not fight beside those who had caused so much bloodshed among the Nicaraguan people during the dictatorship. His counterrevolutionary friend, Alfonso Robelo, advocates the unity of all the counterrevolutionary forces to start joint military actions against the Nicaraguan people.

A large mobilization of medical teams and Red Cross paramedics has taken place since last night, after it was learned that a large number of journalists from several countries, and several Somozist counterrevolutionaries, were injured during the explosion of the powerful bomb in the area near the Costa Rican-Nicaraguan border. The explosion injured ARDE leader Eden Pastora and killed two journalists and a counterrevolutionary. The Costa Rican Red Cross mobilized several ambulances to the border area to transfer the wounded to several health centers within Costa Rican territory.

The injured foreign journalists include Susan Morgan, a British journalist working for NEWSWEEK magazine; Peggy Gunson, a Danish journalist; Gilberto Lopez, a Brazilian journalist working for AFP; William Cespedes, of Radio Reloj in Costa Rica; Billy Callas; and Jose Rodolfo Ibarra.

Cable reports reveal that approximately at 1900 yesterday, rebel leader Eden Pastora was giving a press conference at La Penca when the explosion occurred, killing 3 and wounding 28.

Manuel Salazar Alvarado, director of the Costa Rican Red Cross, has given "Noticiero Extra" the partial list of the journalists who were injured when covering a press conference given by counterrevolutionary leader Eden Pastora last night in the Boca Tapada area on the Nicaraguan-Costa Rican border. The explosion injured even Eden Pastora, leader of the criminal counterrevolutionary organization ARDE and his second in command, "Tito" Chamorro, who is reportedly in a critical condition. Two unidentified Costa Rican journalists and a counterrevolutionary were killed. Salazar will now read the list of injured:

[Begin Salazar recording] The names of persons who have been transferr d by the Red Cross are Costa Rican journalist William Cespedes; Heriberto Lopez, a press correspondent; Bill Garner; Irinal Volgarin; Susan Morgan, an English journalist; Peggy Gunson, a Danish journalist; Jose Rodolfo Ibarra, a Channel 7 journalist; Federico Garcia; Edgard Romano Ulate, an ABC correspondent; Nelson Murillo, a Channel 6 journalist in Costa Rica; Jose A. Venegas, photographer for LA NACION; Juan Carlos Ulate, journalist for LA REPUBLICA; Miguel Sanchez, of LA NACION; Edgar Fonseca, of LA NACION; and Greg Rex, U.S. journalist, correspondent for AP. These journalists have been transferred from Boca Tapada to the hospital in Ciudad Quezada. Their situation is generally stable, a few are in critical condition. We have an unofficial report that there are three dead, but we have not been able to confirm this. [end recording]

CIA Blamed For Attack

PA311342 Managua Domestic Service in Spanish 1210 GMT 31 May 84

[Text] Linda Frazier, a U.S. correspondent for the English-language weekly THE TICO TIMES; Jorge Quiros, a television cameraman; and an aide of traitor Eden Pastora, died as a result of a plastic bomb explosion in an attack carried out by the CIA against Pastora. The Costa Rican authorities have identified the following injured: Roberto Cruz Sandoval, of the Chinese news agency XINHUA; Tony Abraham, and Jose Felix Abraham, of the U.S. television network ABC; Evelio Sequeira, of Costa Rican television Channel 6; Carlos Vargas, from LA REPUBLICA; Susan Morgan, British, from NEWSWEEK magazine; Peggy Gunson, Danish; Gilberto Lopez, Brazilian, from AFP; William Cespedes, from Radio Reloj; and Dennis Cale, Girardo Purgarino and Jose Rodolfo Ibarra, from Costa Rican Channel 7.

According to ARDE [Democratic Revolutionary Alliance] spokesmen, traitor Pastora was the victim of an attack planned and carried out by the CIA in reprisal for his refusal to join the counterrevolutionaries in Honduras who are supported by the Reagan administration to attack Nicaragua.

Pastora had called for a news conference last night to explain his break with ARDE. The explosion took place when he was meeting with approximately 30 newsmen. A Costa Rican public security spokesman said that the bomb could have been placed inside one of the bags used to carry television equipment.

A Costa Rican source close to millionaire Alfonso Robelo said yesterday that traitor Eden Pastora has been separated from ARDE because of his refusal to form an alliance with the counterrevolutionaries who operate from Honduras. Pastora had given Robelo 72 hours to decide whether to remain with ARDE or to join the FDN [Nicaraguan Democratic Forces] without the support of the traitor's mercenaries.

Monge's Charges Denied

PA311350 Madrid EFE in Spanish 1227 GMT 31 May 84

[Text] Madrid, 31 May (EFE) -- Orlando del Castillo, Nicaragua's ambassador to Spain, today "categorically" denied that his government had anything to do with the attack carried out against Eden Pastora in which three journalists died.

Speaking to EFE, Ambassador Castillo rejected a statement made today by Costa Rican President Luis Alberto Monge, who is in Spain on an official visit. Monge had said he "suspects" that the attack was carried out by Nicaraguan agents infiltrated into ARDE [Revolutionary Democratic Alliance], the organization of Eden Pastora.

The Nicaraguan ambassador stated: "The Nicaraguan Government rejects Monge's claim and asks Costa Rica to maintain a more thoughtful attitude, since charges should not be made of Nicaraguan responsibility for this incident."

He added that his government regrets the incident and the death of the "news media workers." The ambassador said he could not confirm whether the attack took place inside Nicaraguan territory, but noted that according to the information he has right now, the news conference took place 2 km from the common border, in Costa Rican territory.

Ambassador Orlando del Castillo said that "it is necessary that Costa Rica improve its border watch." He also said he doubts that"such a large number of newsmen had arrived there from Managua." "They probably arrived there from Costa Rica," he stated.

In his statement, the ambassador said his government has trust in the civilian-military mixed commission composed of Costa Ricans and Nicaraguans that today will meet in Managua. The Nicaraguan ambassador reaffirmed his government's desire "to resolve all border problems through the border vigilance commission."

The ambassador charged that Nicaraguan territory near the border with Costa Rica is being used "by counterrevolutionary groups that carry attacks against the Nicaraguan people and territory."

Incident To Be Investigated

PA312029 Managua Radio Sandino in Spanish 1830 GMT 31 May 84

[Text] The Junta of the Government of National Reconstruction, after the explosion which took place last night in one of Eden Pastora's camps while he held a press conference in Costa Rican territory near the Nicaraguan border, has reiterated its accusation that the CIA is preparing provocations to undermine the Costa Rican Government's policy of neutrality.

We have learned that as of this date there exist plans to attack border posts such as La Pimienta, Cardenas, and Penas Blancas, to blame the Sandinist military forces and damage relations between the two countries, said an official communique issued early this morning.

The explosion in the ARDE [Democratic Revolutionary Alliance] camp left a toll of 3 dead and approximately 25 injured, mostly journalists. This has been termed at the international level the result of escalated aggression in the Central American region by the U.S. Government and the CIA.

Counterrevolutionary leader Eden Pastora is under arrest at the Biblical Clinic in San Jose, Costa Rica. This was confirmed here by Costa Rican Deputy Security Minister Johnny Campos. Deputy Minister Campos is here to attend a meeting of the Mixed Supervision and Prevention Commission. He added that [words indistinct] armed incidents during the last 24 hours, rejecting a report that it might be an attack on Pastora's camp.

Deputy Foreign Minister Jose Leon Talavera told the news media that an investigation has begun to ascertain [words indistinct] led to this incident, adding that there is evidence it was created by the internal conflict which exists within ARDE, but he did not discard the possibility that the CIA might be involved in this.

Pastora and Alfonso Robelo have clashed several times, and they clashed again this week. Pastora accused Robelo of reaching agreements with [words indistinct] Nicaraguan without his authorization, and said a division could take place in the organization.

JUNTA ON BORDER SITUATION, COMMISSION MEETING

PA311428 Managua Radio Sandino Network in Spanish 1200 GMT 31 May 84

[Information and Press Directorate of the Nicaraguan Junta of the Government of National Reconstruction "document" issued 31 May in Managua]

[Text] The Information and Press Directorate of the Junta of the Government of National Reconstruction announces that junta member Dr Sergio Ramirez Mercado and Acting Costa Rican President Luis Alberto Fait talked on the phone at 0200 today to discuss the most recent developments, which are known to the public.

The following points, which the revolutionary government regards as of great interest, stem from that conversation:

A. Absolute calm reigns so far on the border between Costa Rica and Nicaragua. The counterrevolutionary forces have not staged any confrontations or attacks. The reports on alleged attacks in the place known as La Pimienta -- erroneously mentioned by Costa Rican Security Minister Angel Edmundo Solano in statements made a few hours ago -- are thus denied.

B. The meeting of the Nicaragua-Costa Rica mixed commission, scheduled for today in Nicaragua will be held as scheduled, and it is the will of both the Costa Rican and Nicaraguan governments that the work of this commission continue.

Furthermore, the revolutionary government wishes to stress its charge about the provocative plans that the counterrevolutionary forces directed by the CIA intend to carry out from Costa Rican territory to foil President Luis Alberto Monge's neutrality policy. We have learned that as of this date, there are plans to stage attacks on border points like La Pimienta, Cardenas, and Penas Blancas. Criminal actions would be carried out, which would be blamed on our military forces, thus unleashing the deterioration of the relations between the two countries. This last point will be presented by the Nicaraguan delegation to the mixed commission at today's meeting in Nciaragua.

Costa Rican Delegation Arrives

FL311904 Mexico City NOTIMEX in Spanish 1803 GMT 31 May 84

[By Guillermo Zamora]

[Excerpt] Managua, 31 May (NOTIMEX) -- The Costa Rican delegation to the Supervisory and Prevention Border Commission arrived at the Cesar Augusto Sandino Airport, Managua, this morning. The delegation is headed by Costa Rican Vice Minister of Security Johnny Campos.

Luisa Maria Leal, Mexican ambassador to Costa Rica and the Contadora Group representative on the commission, also arrived this morning. The commission will meet at the Nicaraguan Embassy to draw up regulations and will hold a press conference this afternoon to report on the results of the debates.

BORGE MEETS WITH VISITING U.S. CONGRESSMEN

PA310441 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 30 May 84

[Text] Commander Tomas Borge, member of the National Directorate and minister of interior, met today with a group of U.S. Republican and Democratic comgressmen who are visiting Nicaragua. He told them: We cannot divide the world into the good and the bad. This Manichaean concept of history does not help world peace in any way. The revolutionary leader reaffirmed the Nicaraguan Government's desire to achieve peace and its willingness to come to an agreement with the United States based on unconditional dialogue and respect for Nicaragua's self-determination and sovereignty.

Wolf Remarks Criticized

PA311455 Managua Radio Sandino Network in Spanish 1200 GMT 30 May 84

[Text] As part of the U.S. "big stick" policy, four U.S. congressmen -- who were in Managua on a brief 24-hour visit during which they met with opposition party leaders, members of the local Catholic Church hierarchy, and, of course, LA PRENSA's editorial board -- made caustic judgments against our revolutionary process before leaving for Washington.

Republican Representative Frank Wolf of Virginia, expressing his personal viewpoint to the national and international press at Sandino Airport, said that in Nicaragua there is no freedom of speech, the church and opposition political parties are repressed, and human rights are being violated.

How do these congressmen explain the fact that they were allowed to meet with opposition sectors and more importantly, that Wolf was able to express his views to the media in a country supposedly lacking these freedoms? It must be noted that Wolf did not allow his friends, namely Republican Representatives Bob McEwen and Christopher Smith, and Democratic Representative Tony Hall, to express their views on their brief visit to Managua.

Meanwhile, we ask ourselves, could Representative Wolf make an objective judgment on Nicaraguan reality when he did not even travel to our border area, where the CIA mercenaries are carrying our criminal attacks on our people?

We can only be sure of one thing: Four votes to ensure U.S. Congress' approval of the $21 million requested by the Reagan administration for its paladins trying to eradicate the Sandinist revolutionary process have left Managua.

PLI DISAPPROVES OF MEDIA LAW'S PRESENT STATUS

PA310335 Managua Radio Noticias in Spanish 1200 GMT 30 May 84

[Text] The Independent Liberal Party [PLI] will today oppose both the State Council ruling in favor of the Armed Forces' proposal that the Interior Ministry should supervise the media law and the media law itself.

[PLI State Council representative] Orlando Quinonez said that if the State Council approves the bill in its present state, which includes the Armed Forces proposal, the PLI might change its mind about participating in the elections. If the minimum conditions and guarantees are not present, we will not be able to take part in the elections, Quinonez said. Here is his statement:

[Begin Quinonez recording] If the commission abides by the proposal, we believe it will cause serious disagreement in the State Council. No one agrees that the Interior Ministry's media directorate should supervise the implementation of the law. We will reject outright any attempt to introduce the Interior Ministry's supervision of the law. We believe that the media law is antidemocratic and not pluralistic. It can be considered that the government is attempting to pass this law before it lifts the state of emergency. We think that if the law is approved in its present state, which includes the Armed Forces' proposal presented by Commander Solis, it will be a terrible law, much worse than what this law would create. The law attempts to subject the media and the newsmen to the state's supervision. We disagree with the law. It is antidemocratic and antipluralist. Today I will present an argument in the State Council. [end recording]

PSD ASSEMBLY DEFINES POLITICAL STRATEGY

PA312115 Managua LA PRENSA in Spanish 21 May 84 pp 1, 10

[Excerpt] After holding its first special assembly at its central headquarters, the Social Democratic Party [PSD] issued yesterday, Sunday, six important conclusions about its political strategy.

The Social Democrats fully endorsed the fulfillment of the nine points demanded by the democratic sector in the important document of 28 December entitled "A Step Toward Democracy: Free Elections."

The meeting, which lasted over 4 hours, was attended by delegations from the following departments: Chinandega, Leon, Carazo, Masaya, Managua, Granada, Nueva Segovia, Madriz, Esteli, Matagalpa, and Zelaya. A total of 250 delegates were present.

PSD Secretary General Dr Luis Rivas Leiva welcomed the departmental delegates to the special national assembly and requested approval of the policy that the National Executive Committee (CEN) has been implementing. A plan was also outlined calling for several departmental assemblies in the near future.

The departmental directorates were given a 15-day deadline to organize their joint [adjuntas] directorates. An 80-day deadline was also established to organize the municipal directorates of each organized department.

For his part, Secretary of Organization Guillermo Potoy said that the PSD statutes have been reformed so that the PSD could be officially recognized as a political party. A new edition of the amended statutes is being prepared so all the departmental directors can study them.

After the departmental delegates delivered their speeches, six fundamental conclusions about the party's political strategy in the near future were announced. These conclusions are:

1. To endorse the fulfillment of the nine points demanded by the democratic sector, which were published in a document on 28 December 1983 entitled "A Step Toward Democracy: Free Elections."

2. Total support for the PSD National Executive Council with regard to its political conduct prior to and after this First National Special Assembly, and support for all that concerns the electoral issue.

3. To demand a deadline for the FSLN to respond to the document of 28 December 1983 entitled "A Step Toward Democracy: Free Elections."

4. A 1-year deadline in accordance with that document, to freely carry out political activities in order to better prepare the parties.

5. To struggle for reform of the Electoral Law, especially the reorganization of the Supreme Electoral Council.

6. If elections are held, to recommend to the members of the democratic sector that they train so they can participate actively in supervising the election.

LA PRENSA CHAIRMAN SEES 'SLANDEROUS CAMPAIGN'

PA301845 Managua LA PRENSA in Spanish 23 May 84 p 2

[Article by LA PRENSA Board of Directors Chairman Violeta B. de Chamorro: "Dark Clouds Over LA PRENSA"]

[Text] I am deeply concerned over what is currently happening to LA PRENSA: a jailed reporter who tries to incriminate fellow workers and slanders the paper's publishers; the arrest of another employee pointed out by the reporter; Security Department questioning of other employees; a campaign unleashed by television stations and government newspapers repeating the slander -- fully aware that it is slander -- by jailed reporter Luis Mora, etc. I am concerned, although not scared, because we are returning to the abominable era in which Somoza used to do the same when pressuring freedom of expression, frightening the newspapers of the Nicaraguans (something that he never managed to do), and because they are destroying with one hand what they have done with the other with regard to the coming elections that they have labeled "the most honest and free in the whole world."

This outrage, this slanderous campaign backed by an iron-fisted censorship that does not grant us the right to reply or to defend ourselves, is a very dark cloud that is an omen of what the elections will be like.

If they do not respect human dignity and freedom of expression, they will not respect the votes either. I believe my husband gave his life for a liberating change, and not for a repetition of Somoza-style elections after a few years, with arrests, censorship, and persecution against freedom of expression. I believe that LA PRENSA's tradition is too beautiful, selfless, and exemplary for it to be slandered and accused of being subject to foreign influence.

It grieves me deeply to see that we are returning to our dark past. I also think of my husband's spilled blood and that of thousands of Nicaraguan who have died for freedom.

FDN BLAMES REGIME FOR ATTACK ON PASTORA

PA311812 Panama City ACAN in Spanish 1726 GMT 31 May 84

[Excerpt] Tegucigalpa, 31 May (ACAN-EFE) -- The rebel armed organization Nicaraguan Democratic Force (FDN) today blamed the Sandinist government for the attack that injured Eden Pastora (Commander Cero), killed 3 journalists, and injured 28 others.

The official FDN spokesman in this capital told ACAN-EFE that "this attack is clearly the work of the Sandinists, who are used to the methods of international terrorism." Asked if they could firmly assert that the Sandinists had originated the attack, the rebel spokesman said that "it is definitely the work of the communist regime of Managua, which seeks to create unrest at the internatonal level."

The anti-Sandinist denied that the FDN had originated the attack on Pastora, leader of the Democratic Revolutionary Alliance fighting the Sandinist government in southern Nicaragua.

FAGOTH ACCUSES SENATOR KENNEDY OF GENOCIDE

PA310447 Panama City ACAN in Spanish 0152 GMT 31 May 84

[Text] Tegucigalpa, 30 May (ACAN-EFE) -- U.S. Senator Edward Kennedy will be accused by an anti-Sandinist group of "murder and genocide against the Indian population of Nicaragua."

The commander of the military forces of the Miskito, Sumu, and Rama Indians (MISURA) and Creoles of the Atlantic coast, Steadman Fagoth Muller, said here today that his organization has a team of lawyers in the United States to file legal charges against Kennedy.

The anti-Sandinist leader explained to the press that Kennedy opposes the Reagan administration's aid to the Nicaraguan rebels. "Kennedy has always been against the Nicaraguan Indian population and uses any excuse to attack our military functions, which makes him a genocidal murderer of our people, together with the nine Sandinist commanders who actually rule Nicaragua," the anti-Sandinist leader added.

BRIEFS

SOVIET TRACTORS -- A shipment of 209 tractors for agricultural use have arrived at the Nicaraguan port of Corinto from the USSR, in a new show of solidarity from the Soviet Government. [Summary] [Managua Sistema Sandinista de Television Network in Spanish 0200 GMT 30 May 84 PA]

CASTRO SPEAKS AT LIVESTOCK BREEDING ENTERPRISE

FL301359 Havana Television Service in Spanish 0033 GMT 30 May 84

[Speech by President Fidel Castro at a ceremony commemorating the 20th anniversary of Los Naranjos Livestock Breeding Enterprise in Havana Province on 29 May -- recorded]

[Text] Dear comrades, I am not going to give a speech because what could be said about this enterprise and this anniversary has already been said, and said very well, with great tact, many encouraging results. I think that Comrade Pepe and Comrade Adolfo have expressed it all very eloquently. Of course, it appears that Adolfo thought his speech was very long, and he took out a couple of pages. I was sorry he did and told him so because they contained such interesting and encouraging data that I think he should not have shortened his speech. [laughter] It is going to be published, possibly in TRIBUNA DE LA HABANA and in TRABAJADORES so we will have the opportunity to read what he did not say here to save just a few minutes.

On this 20th anniversary, I only want to say that I support what has been said here and give my deepest and most sincere congratulations to all the workers, technicians, cadres, and managers of this enterprise for the successes they have achieved. In all truth -- as has already been stated here -- a true feat has been performed here. You only have to recall what this enterprise, this area, was like: It has already been said that there was only one little farm of 70-odd hectares that belonged to a large landowner, etc. Adolfo has explained that 2 years after the Agrarian Reform Law was passed, this landowner's turn came up [to surrender land] and the state took over his property, and that was the beginning of the development of this plan. It was a unit based on outmoded ideas; milking machines may possibly have been used. Were they? [no response is heard] He must have been the only large landowner around here who had milking machines. [laughs] What a coincidence!

Anyway, we were talking about the date this plan got started. I seem to recall that I visited this unit amost immediately after it was taken over by the Agrarian Reform, maybe in 1981-82-83. [dates as heard] But there is no written record of this. What is certain is that after 1964 a plan was drawn up. I remember that the first imported cows were brought here. They were expensive cows, big producers. We had the problem of acclimating them; 30 percent of the cows died during acclimation. It was terrible because they were full grown, high producers. And with our climate, many died. The first thing we did was to install air conditioning for the cows. This was one of the first things that had to be done, and this was done after a few years of experience. When the air conditioners were installed, the death rate dropped. But the death rate also dropped because we had more experience, more technicians, more cadres, etc. It would be interesting to know how many veterinarians, how many agronomists we had when this plan was started.

Later on, we found a better way to do things because we had to import thousands of head of cattle. And we discovered that the trick was to import them when they were very young, from 7 to 10 months old, or 11 months, but less than 1 year old. Special pastures were designated for receiving these animals. And the death rate dropped without air conditioning because there was no way to provide air conditioning for thousands of head of cattle. This method, together with experience -- the method of importing very young cows -- greatly improved their acclimatization and reduced extraordinarily the number of cows dying because of acclimatization problems.

During that period, we classified cows in three groups: A, B, and C. In the A group were those which were 40 percent above the average for the breed. In the B group were those that were up to 40 percent above the average. And in the C group were those that were average or above the average for the breed, because no animals were ever bought whose mothers were below the average for the breed. Following these guidelines, in a few years about 30,000 head of cattle were imported. They were of different breeds because we imported all the breeds to try them out, but they were principally Holstein. Air conditioning was even installed at other units.

At Nina Bonita, a complete dairy was air conditioned to determine the difference in the milk production of cows living at normal temperatures and cows that had air conditioning. It was demonstrated that there was a difference but not a great difference. Then we decided that what we needed was cows that produced a lot of milk while living under our climatological conditions rather than cows that produced a lot of milk with air conditioning. Because we observed that there were Holstein cows that produced a lot more milk than others despite the heat, we decided that if we selected these cows -- those that produced more milk under the conditions of our climate, more milk, more fat -- then we could start developing a new breed through this process of selection. And this is how the idea of the tropical Holstein came about, together with other breeds that we have been developing and that are partially developed now. This is how the F-1, the F-2, the five-eighths, the two-eighths Cebu were all developed; in short, the different breeds we developed.

There was not land here. The best land had to be used for other purposes, for producing citrus crops, for example. And the worst land -- the rockiest -- was what was left for cattle raising. We had the idea of land reclamation. We reclaimed land by taking soil from quarries and dams and other sites and spreading it over bad land. This was really a soil creation project because the animals, by eating and producing organic waste, also help to build up the soil.

Resources were assigned until this plan really got going, the house construction brigade, the road building brigade, the dairy construction brigade, the irrigation system brigade, in short, everything. This was done not only in Los Naranjos. This was done at more than 10 enterprises in Havana Province. It was also done at some inland sites, such as the Tablon Enterprise, the enterprises near the Escambray Mountains, and the ones built in Sancti Spiritus and Camaguey.

We had such a well-coordinated investment plan that it is a shame it was not carried out, because everything falls in place -- bulldozing, land reclamation, road building, the construction of irrigation systems, and the construction of housing and dairies. During that period we made great progress. Later, for one reason or another, progress in some plans decreased. The different kinds of work were not done simultaneously. At Los Naranjos we persisted longer in that kind of effort and that is how such amazing results were achieved: 96 dairies where there had been only 1 -- it grew almost one hundredfold -- 89 of which are in production. Milk production has increased more than one hundredfold in this area. The number of head of cattle also increased more than one hundredfold. Everything grew more than one hundredfold here! Of course, many others...[changes thought] If we consider the East Havana Genetic Plan, it also possibly grew more than one hundredfold. If we consider the Nina Bonita area, it also grew this much in the different plans because, in general, the province as a whole had increased milk production seven or eight times since 1970, as far as I can remember, the province as a whole. We made a big effort throughout the country.

But we do not have to dwell on what we have done. Livestock breeding still needs a lot of work. In recent years, we have had problems. Among others, we have had to assign thousands and thousands of caballerias to cane plantations and this land has been lost for grazing. We have had to assign areas for reforestation, etc., and for other crops. The area available for livestock breeding had been reduced. This makes it necessary for dairies to practice intensive farming, very intensive farming, and demands a great developmental and investment effort.

We have had problems with bulldozing -- shortages of bulldozers -- throughout Cuba. We have had wire shortages, equipment shortages, we have had problems planting the crops -- they have not always been planted as carefully as necessary. All these things have been studied and analyzed to give a greater thrust to livestock breeding in the future, especially national livestock, than it has received in the past few years. Something else: It was decided to buy the bulldozers and machinery we needed for bulldozing operations and land cultivation. We are studying the types of equipment, implements, and plows, the sowing methods we should apply, and all the resources needed to make a great effort because during these years, [we have had] certain shortages. We have been short of feed and fertilizers. We have been short of fodder also. And all of this is reflected in one way or another on the increases in meat and milk production, which have been smaller than they should have been.

All this is being studied because, despite all that has been done, we still have to wage the livestock breeding battle, convert it to intensive farming practices, and identify all the problems that affect it. We have recently been studying the queston of genetics. This is not easy because, whenever genetics are discussed, there are a lot of thinkers, genetic philosophers, and we really want to build on the experience we have acquired, the results we have achieved. And here, at this center, we have learned a lot. We have learned how a Holstein can produce beef -- it is a tremendous beef animal, for example, when we cross one with a Cebu. I would not say this about a young cow but about a cow that has had at least one calf. We have examples here of how much the calf of a Holstein by a Cebu grew, to the extreme of gaining a weight of 1,500 lbs in 1 year, which no other breed or crossbreed achieves. They are very strong and are good for both milk and meat production.

We are going to continue to develop and specialize in milk cows as a general rule. We are going to use part of the dairy herds for beef production, even in Havana Province, even in an enterprise like this one. How? By culling out the cows that produce less milk. We are not interested in keeping cows that produce less milk. If we have many other cows that produce more milk that can be used to replace the low producers, why should we breed the low producers? This would be genetic selection done backwards. We are going to select the best milk producers to use them for breeding and building up the herds of milk cows. And those that are poor milk producers...[changes thought] Let us consider the Cebu. If it is a male we will fatten it up. If it is a cow, we will use it for reproduction. That F-1, even if it is the calf of a Holstein that does not produce a lot of milk, will still produce a lot more than a Cebu cow and will suckle its calf. Of course, this requires record keeping, an effort, painstaking care, but we have already talked about this.

What are we going to do, in which areas are we going to continue to use Holsteins for breeding purposes, in which areas are we going to begin to use the five-eighths for breeding to take advantage of what we have gained during these years, in which areas are we going to use the F-2?

All this is being studied to give a thrust to the growth of Cuban livestock herds, to give a thrust to meat production at the same time that we continue to build up milk production -- with better and better animals and more specialized breeding stations. The animals are going to be improved. For example, in Naranjos -- according to data I have here -- 13.8, 13.9, almost 14 liters of milk are produced daily at the maximum. Now, why is not this figure higher? Because these have been years of impetuous growth, of eight or 10 new dairies each year. It has not been possible to be very selective. If we had created one or two instead of eight or 10, it would have been possible to cull out the cows that produced less milk and replace them with cows born of the highest producing cows, and we would have a higher average. When this plan has been completed, when it has 100-odd dairies or 130-odd, and is no longer growing at the same rate, it will be possible to make a much better selection and increase the average milk production per cow. Because although 14 may seem to be a big number, I am sure that this enterprise will reach 15, 16, 17, and it is not an exaggeration to say that in the future it can produce an average of up to 20 liters daily. There are units in which good selection has been done, averaging 20 liters daily.

Because growth is so great that almost all cows go into production, a good selection cannot be made. We now have to be more selective in our dairy herds. And we have to select genetically bearing in mind the characteristics of each area, because different areas have different conditions. Some have worse conditions, are hotter, others are cooler and have better conditions. And for this reason I ask all the comrades and enterprise directors that are here today to pay special attention to all these ideas we are going to apply in the future that have been taken from experience.

More selection and higher standards are necessary. I am sure we will achieve good results. It is not reasonable to inseminate a poor milk producer with pure Holstein. It is much better to inseminate her with a beef animal and get a calf which will serve for meat production or for breeding purposes. We will inseminate 70 or 80 percent of the herd with pure Holstein when we have culled out those cows that should not be used to produce milk cows. Is my idea clear? We will achieve this although it will require more record-keeping, more care. Mistakes in the selection of the bull must not be made. You must not breed a good cow with a Cebu and a bad cow with a Holstein. As you well know, this requires an effort.

This is going to be accompanied by a special national effort to provide all the resources that the livestock sector needs for all the bulldozing and crop-sowing operations required. We have to make a leap forward in coming years, and this requires a special effort. It is for this reason that, coinciding with this anniversary and this ceremony, the ministry met with the leaders of all the livestock enterprises.

Two years ago, Los Naranjos was declared a model enterprise at a similar act held, I believe, in April 1982. I repeat that Los Naranjos is not the only enterprise. There are many enterprises in Havana Province and in other provinces too that have reached a very high level, although milk cattle are much more developed in Havana Province. On that occasion, we suggested that a book be published on the history of Los Naranjos. This book has been published and is very attractive. I think this book is a world-class book. [applause] The data included in the book are of interest not only to Cuban livestock raisers, but also to livestock raisers of Latin America and the world. We asked Pepe to write the book but although he worked hard on the book, he found it more satisfactory to get together a team of writers. For this reason, the book has several authors.

The comrades of the Ministry of Culture took pains with the printing, with full-color plates. I think this experience is of great value and usefulness for all livestock breeders. It is the first book that we have published based on the experience and work of an enterprise. I believe this must serve as an incentive for the entire livestock breeding sector to write its history and to present data on the date each was founded, its original installations, its activities.

There are other places, and other enterprises can write their histories. And if not a full book with color plates, a less luxurious book or at least a pamphlet could be published with the history of each of the livestock enterprises, because their history is of great value for future and present generations. I think all the workers must feel great satisfaction and take great pride -- the workers of this enterprise, for example -- when they see their work over a period of 20 years reflected in a book. I think it should also serve as an incentive so that in every enterprise someone will take charge of collecting and compiling the historical data of the enterprise so that each will have its own history. We must remember that these 130-odd enterprises that produce milk and meat, that fatten and breed livestock, etc., are the base on which livestock raising must be developed in the future. And we have to do a good job. I see here many men hardened by experience and time.

I know how our livestock breeders have learned, how they began, with a lot of good will and revolutionary spirit but with little experience or knowledge. You were not engineers but, in the future, your successors may be engineers with a lot more training. There is no doubt that the 20 years that almost all of you have worked in livestock breeding have given you a lot of experience, a lot of knowledge. You have proven this in your struggle against all kinds of difficulties because we know that there have been, are, and will be difficulties. But you have acquired a lot of experience. You are men who have been hardened by work, who know what work is. You now have the help, the advice, the support of hundreds of engineers and veterinarians in every part of Cuba.

I remember when there was not a single inseminator. We had to create several schools for inseminators. There was not a single engineer in the livestock breeding plans, not a single veterinarian. There was nothing. Nowadays we have a lot of very experienced people. The revolution as a whole has a lot more experience and knows better what it can and should do, and there are great possibilities. But this generation of livestock breeders still has to win the livestock breeding battle, which is one of the most difficult.

Other areas have received more resources. Sugarcane has received more resources, much more land, etc., to the detriment of livestock breeding. We still do not have sufficient fertilizer and we know it. Many things have been invented -- the use of bagasse from sugarcane, even the use of scum [cachaza]. Personnel were recently assigned to collect the scum from all the mills in Havana Province. It is necessary to use everything.

Research centers are working at the ICA [Institute of Animal Science], especially searching for new forms of food, and they have experimented with transforming sugarcane -- that's right, cane -- into a high-protein food via an industrial process, and with transforming citrus fruit pulp. There are possibilities showing up in this research but there are still no physical achievements. They are things we will have in the future.

Therefore, it is now necessary to make a special effort in the area of fodder for the animals. We know the number of caballerias that are sown each year, what condition the land is in when the planting is done, the amount of land that is used and wasted. We have to work on all of our weak points in the next few years.

I believe that you should all aspire to those goals -- not only should each enterprise write its history, but it should also aspire to achieving the status of model enterprise. Eight or 5 years ago, Los Naranjos was not yet a model enterprise -- the model enterprise movement did not even exist. Los Naranjos has now been a model enterprise for 3 consecutive years. I believe that one of the goals that every director of a cattle enterprise should adopt is to turn his enterprise into a model enterprise. We know very well, we are not unaware that Los Naranjos has had more resources. But we must keep sight of the resources we have and how we are distributing and assigning them in order to give more to each enterprise. Within its own material conditions, each enterprise can aspire to be a model enterprise. Now Los Naranjos Enterprise is attempting to become a standard-bearing enterprise, which it will do if it manages to be a model enterprise for 5 consecutive years. We hope it succeeds and that this center establishes a tradition of being a model enterprise and standard-bearing enterprise forever. And I believe that all cattle enterprises should have as their goal to become members of the model enterprise movement.

When one remembers what there was here -- weeds, rocks, poverty -- and sees what it has become today, one can clearly appreciate, as Adolfo [Diaz Suarez] said, that with the effort of our workers, of our technicians, of our cadres, of our masses -- with conscious effort, with revolutionary effort -- anything can be accomplished. Of that there is no doubt. It is possible that 20 years ago, no one would have imagined an enterprise like this one -- absolutely no one could have imagined what this enterprise would be today and [Castro laughs] what it is going to be in the future because this enterprise is not finished yet. It lacks more than 30 dairies and breeding centers. There are many hectares of land yet to be recovered and a great deal of cropland to be irrigated. There is much work to be done, many barns and breeding centers to be built. And, in the future when all this is finished, there will be a better selection of animals and who knows what this enterprise will be in 5 years, 10 years, 20 years. The imagination can make an idea a reality.

No one here has mentioned that the first breeding of buffalo has begun. Buffalo did not exist in Cuba earlier. The first commercial buffalo are being raised. A little buffalo milk is also being produced. Not only that, but yogurt is being produced from that milk -- different types of yogurt which are being sold in the diplomats supermarket [diplomercado] and are producing some foreign currency. Buffalo yogurt is also being sold in the downtown supermarket. Not only have the first buffalo been brought here and acclimated, but the first milk is being produced, processed industrially, and put on the market. There are many lowlands here -- almost swamps -- which are not suitable for raising Holsteins and are barely suitable for raising zebus, but they are suitable for raising buffalo. I am referring to the true buffalo because earlier here, they called Cebus buffalo. But no indeed, the buffalo is one thing and the zebu is another. All the cattlemen know that, right? I do not know if all the citizens of this country know it.

Finally, we are convinced that we can achieve what we propose. Therefore, we take this occasion, this beautiful date, this encouraging and stimulating 20th anniversary of the founding of Los Naranjos to issue a call, an exhortation, to all cattle enterprises in the country to make a special effort and to adopt all measures throughout the country which will permit us to victoriously wage the battle of the cattle industry. I believe that should be the main fruit of this anniversary event; [applause] the pledge of the cattle workers to turn all the enterprises in the country into enterprises like Los Naranjos.

Fatherland or death. We will win.

GHANA DIPLOMAT, AALAPSO MEMBER ADDRESS CEREMONY

PA311745 Havana International Service in Spanish 1600 GMT 30 May 84

[Text] Speaking in Havana during a ceremony to commemorate Africa Day, Ghana Ambassador to Cuba [title as heard] (Koho Amo Gotzied) stressed that the need to eliminate weapons of mass destruction is ever more urgent to save mankind from total extermination. Closing the meeting devoted to the African Continent, the Ghana ambassador asserted that the arms race harms the economic interests of developing countries. Christian Gonzalez, a member of the AALAPSO secretariat, read a declaration stressing the world repudiation of racism and all forms of exploitation and reiterating solidarity with all the African peoples who fight for their social progress and well-being.

MALMIERCA ENDS VISIT TO SWEDEN AFTER MEETINGS

FL301141 Havana Television Service in Spanish 1105 GMT 30 May 84

[Text] Stockholm -- Cuban Foreign Minister Isidoro Malmierca today concluded his 2-day working visit to Sweden. After meeting with Prime Minister Olof Palme, Foreign Minister Lennart Bodstrom, Secretary of State for Foreign Affairs Pierre Shori, and other high officials, Malmierca today held talks with a group of parliament members from all political parties in Sweden.

TRANSPORTATION MINISTER VISITS FRANCE, SPAIN

In France 13-19 May

For Paris L'HUMANITE reportage on the 13-19 May visit to France by Transportation Minister Guillermo Garcia Frias, including his meetings with French Transportation Minister Charles Fiterman and External Relations Minister Claude Cheysson, see the France section of the 30 May Western Europe DAILY REPORT.

Visits Andalusia

FL241924 Havana Domestic Service in Spanish 1800 GMT 24 May 84

[Text] Commander of the Revolution Guillermo Garcia Frias, vice president of the Councils of State and Ministers and minister of transportation, has taken a long trip through Andalusia as part of his official visit to Spain. In the past 2 days, Garcia Frias has visited the cities of Cadiz, Seville, and Jerez de la Frontera, where he was received by the local authorities and visited shipyards, ports, and other places of economic and historic interest. The local press covered the visit of the Cuban delegation headed by the minister of transportation, and the newspaper DIARIO DE CADIZ published a large photograph on the first page. Transportation Minister Commander of the Revolution Guillermo Garcia Frias held a press conference in Cadiz at which he spoke of the magnificent relations between the two nations, mentioning the historical bonds that link them.

Meets With Spanish Minister

FL251452 Havana Domestic Service in Spanish 1000 GMT 25 May 84

[Text] Commander of the Revolution Guillermo Garcia, vice president of the Councils of State and Ministers, has met in Madrid with Industry and Energy Minister Carlos Solchaga. The Cuban leader and the Spanish minister held very productive talks, according to the Cuban delegation's spokesman. During the meeting, the two sides discussed the possibility of bilateral cooperation in the area of transportation. Also taken up was the aid Spain can offer in such fields as personnel formation and training.

Visits Barcelona

FL301700 Havana Domestic Service in Spanish 1600 GMT 30 May 84

[Text] Madrid -- Vice President of Cuba's Councils of State and Ministers Guillermo Garcia Frias has visited the port of Barcelona and met with the officers and crewmembers of the Cuban ships undergoing repair there. Garcia Frias chatted fraternally with the Jigue and (Primaro) crewmembers during his visit to the huge Catalan port. Many Cuban ships regularly arrive at the port of Barcelona, and many are also repaired there.

NIVALDO HERRERA CLOSES WARSAW RADIO, TV MEETING

FL242350 Havana Domestic Service in Spanish 2300 GMT 24 May 84

[Text] The 59th meeting of the Administrative Council of the International Radio and Television Organization closed today in Warsaw with a speech by its president, Nivaldo Herrera. Nivaldo Herrera said that, despite the radio war, the goal of which is to subvert nations and impose ideas, the International Radio and Television Organization maintains unchanged its ideals regarding the liberation, cultural independence, and well-being of peoples.

PDRY SIGNS 1984-85 JOINT MEDICAL PROJECT

FL010104 Havana Television Service in Spanish 0000 GMT 1 Jun 84

[Excerpt] The plan for the 1984-85 joint project between the Higher Institute of Medical Sciences in Havana and the Medical Faculty of the People's Democratic Republic of Yemen [PDRY] was signed today in Havana. The document was signed by Dr Juan Vela, rector of the Cuban institution, and (Salim 'Umar Hukai), rector of the University of Aden and a founding member of the Central Committee of the Yemen Socialist Party.

FERNANDEZ MEETS ARGENTINE PARLIAMENTARIANS

FL260045 Havana Domestic Service in Spanish 2000 GMT 25 May 84

[Text] Jose Ramon Fernandez, Cuba's education minister and vice president of the Council of Ministers, has met with an Argentine delegation of members of Congress at the Ministry of Education's offices in Havana. The Argentine delegation, composed of Alberto Malioti, Jorge Victor Quein, and Jorge Hernandez Savadei, expressed an interest in the development of Cuba's educational system. Also described to the delegation was Cuba's pre-revolutionary education system, the process and struggle to educate everyone up to the 6th grade, work-study programs, and other matters. Malioti, delegation leader, described Argentina's terrible education and health programs -- due to the previous military regime -- and President Raul Alfonsin's efforts at solving these problems.

PASTORA WOUNDED, 3 KILLED IN BOMB ATTACK

PA311627 Havana International Service in Spanish 1600 GMT 31 May 84

[Text] Central American news media have reported that a U.S. woman journalist died as the result of an explosion during a press conference given by counterrevolutionary leader Eden Pastora in Costa Rican territory close to the Nicaraguan border. The sources added that the attack occurred Wednesday evening, and that, in addition to THE TICO TIMES woman journalist Linda Frazier, two other people died and more than 20 others attending the conference were wounded.

Press reports have added that Eden Pastora was wounded and taken to Panama aboard a helicopter, where he will get medical attention. Pastora had called together foreign correspondents and Costa Rican newsmen to explain the disputes within his group.

Many Blame CIA

FL312336 Havana Domestic Service in Spanish 2300 GMT 31 May 84

[Text] International news agencies are emphasizing that for many, there remains no doubt that it was the CIA that perpetrated last night's bombing attack against counterrevolutionary leader Eden Pastora, who had become an obstacle to Washington's plans to unify the mercenary forces that are attacking Nicaragua from Costa Rica and Honduras. Five people died in the attack, including a U.S. journalist. Nine others are missing. Pastora and 20 other people are being treated in Costa Rican hospitals.

Hours before the attack, THE NEW YORK TIMES had prepared an article, which was published this morning, warning that the time limit set by the CIA for Pastora to agree to the unification of the mercenary forces had run out. Pastora's refusal to accept unification is attributed to his ambition to be the sole leader of the counterrevolutionaries. This caused the CIA to prepare the bombing attack to remove him immediately from the scene.

GRANMA CITED ON CASE OF 4 MURDERED NUNS

PA213141 Havana International Service in Spanish 1600 GMT 30 May 84

[Text] In today's issue, this Cuban newpaper GRANMA said that the murder of four U.S. nuns by Salvadoran soldiers in 1980 has allowed Ronald Reagan to mount a propaganda show in order to continue the military aid for El Salvador. GRANMA added that, with this purpose, in mind, the case, which had been pending for more than 3 years, was suddenly reopened after Jose Napoleon Duarte, the new Salvadoran president, met with Ronald Reagan in Washington and asked the U.S. Congress for more than $61 million to pay for the war in El Salvador.

GRANMA charges that the organizers of the gruesome plan, current Defense Minister General Eugenio Vides Casanova and Colonel Nicolas Carranza, CIA collaborator and founder of the death squads in El Salvador, do not appear involved in the case, thanks to pressure by U.S. authorities and Duarte himself.

RADIO VENCEREMOS WARNS OF ATTACK FROM HONDURAS

FL311626 Havana Domestic Service in Spanish 1000 GMT 31 May 84

[Text] El Salvador's FMLN has reiterated its right to self-defense it under a coordinated attack from Honduras, as the Honduran Army frequently enters Salvadoran territory which is under guerrilla control. Radio Venceremos broadcast this warning to the Honduran Government because it sends military patrols into El Salvador's Morazan Province to explore the area before launching anti-guerrilla offensives. Radio Venceremos said the main goal of the joint "Grenadier I" maneuvers -- comprising U.S., Salvadoran, and Honduran troops -- is to attack the FMLN.

Intelligence reports obtained by Salvadoran patriots revealed that the Pentagon has planned a large counterinsurgency offensive in which 17,000 soldiers will participate.

SALVADOR PRESS CITED ON ARMY MOBILIZATION

FL311232 Havana Domestic Service in Spanish 1045 GMT 31 May 84

[Text] The Salvadoran Army has been mobilizing troops to El Salvador's eastern provinces and forcing hundreds of youths to enlist in the Army -- using methods such as breaking into schools -- in preparation for a large offensive. The Salvadoran press reports that troops are being deployed north of San Migual and La Union Provinces. Another dispatch reported troops from the San Francisco Gotera barracks in Morazan Province were also being mobilized.

These preparations coincide with the FMLN's report that Salvadoran, U.S., and Guatemalan troops would launch a massive operation against the guerrillas in that area this week, using the "Grenadier I" maneuvers as cover. The press said none of the three countries' Armed Forces had offered any response to the FMLN's statements. The statements seem to have been true because more than 1,300 Salvadoran troops are being sent to Honduras, maneuvers are taking place near the border, and troops are being mobilized.

FMLN NOTES CONDITIONS CONDUCIVE TO DIALOGUE

FL311800 Havana Domestic Service in Spanish 1700 GMT 31 May 84

[Text] The FMLN has called upon all Salvadorans to resist armed intervention in El Salvador by the imperialists. It has also issued a call to contribute to a negotiated political solution of the internal crisis. The Salvadoran guerrilla movement insists that, to create a situation conducive to dialogue, it is necessary to end Yankee intervention. It has also stated that the bombing, assassinations, and kidnappings must cease, and demands that all political prisoners be freed. The FMLN and FDR have presented repeated initiatives in favor of dialogue and peace.

GUATEMALAN GUERRILLAS ATTACK ARMY ON ANNIVERSARY

FL311539 Havana Domestic Service in Spanish 1000 GMT 31 May 84

[Text] Guatemalan commandos ffom the Rebel Armed Forces [FAR] guerrilla organization attacked Army troops in El Peten Province three times this week. According to a FAR dispatch, the Guatemalan regime's Army suffered numerous casualties during the fighting. The guerrillas attacked on the 6th anniversary of the killing of "Panzo," in Guatemala's Alta Verapaz Province, where more than 100 persons were assassinated by the Army in May 1978. The FAR is one of the guerrilla organizations that are members of the Guatemalan Revolutionary Unit [Unidad Revolucionaria Guatemalteca].

ANTI-U.S. MARCH TAKES PLACE IN TEGUCIGALPA

FL311426 Havana Domestic Service in Spanish 1045 GMT 31 May 84

[Text] Some 30,000 Hondurans in Tegucigalpa protested against Yankee interventionism by marching down the capital's principal streets demanding that Marines be withdrawn from Central America. A strong feeling against the U.S. military presence exists in Honduras, because the Pentagon has transformed the country into a huge military base to attack Nicaragua and El Salvador.

HONDURAN WORKERS PROTEST IMPORT TAX INCREASES

PA311640 Havana International Service in Spanish 1600 GMT 30 May 84

[Text] More than 30,000 Honduran workers marched from the Paseo Del Obelisco, in south Tegucigalpa, to the Economy Secretariat. The walk of more than 2 km was held to protest the new taxes on all national imports ordered by the government. This will increase the cost of living in Honduras. The workers protest march, called by the three main unions in the country, was led by some opposition political leaders, including Deputy Nicolas Cruz of the National Party of Honduras and Hernan Corrales, former presidential candidate for the Honduran Christian Democratic Party. The order calls for a 5-percent tax increase on all imports except medicines. According to the government, this measure will in the long run have repercussions in the working class. The new taxes are one of the IMF's conditions to continue offering financial aid to that Central American nation.

NICARAGUA DENIES ALLEGED LA PIMIENTA ATTACKS

FL311926 Havana Domestic Service in Spanish 1821 GMT 31 May 84

[Text] Early this morning, Nicaragua denied that alleged attacks by counterrevolutionaries on the town of La Pimienta on the border with Costa Rica stated that a telephone conversation had taken place between Nicaragua Junta Member Sergio Ramirez and Acting Costa Rican President Alberto Fait. The document added that, so far, there had been no confrontation with or attack by counterrevolutionary forces. It also said that Ramirez and Fait (?agreed) that the meeting of the joint Nicaraguan-Costa Rican commission, planned for today in Managua, should take place as planned because both countries want the commission's efforts to continue.

DOMINICANS SUPPORT SUSPENSION OF IMF TALKS

FL252340 Havana Domestic Service in Spanish 2300 GMT 25 May 84

[Text] The Dominican people have recevied with satisfaction the suspension of negotiations between the government of Jorge Blanco and the IMF, negotiations which were repudiated by the people in several days of street fighting in which more than 100 persons were killed. The suspension occurred after the IMF presented the Dominican authorities with the demand that the trade in crude oil and petroleum byproducts be passed to the parallel foreign exchange market, which was considered unacceptable by the Jorge Blanco administration.

FORMER GRENADIAN OFFICIAL NOTES BISHOP BIRTHDAY

FL301252 Havana Domestic Service in Spanish 1045 GMT 30 May 84

[Report on commemoration of former Grenada Prime Minister Maurice Bishop]

[Text] [Begin (Don Rojas) recording in English with consecutive translation into Spanish] As you know, today May 29th ... [end recording] (Don Rojas), former press secretary to the Maurice Bishop government, is speaking.

[Begin (Rojas) recording] Millions of friends from around the world who supported Grenada's revolution today commemorate the 40th birthday of our beloved leader Maurice Bishop. [end recording]

The former Grenadian leader told the press that history will remember Bishop as one of the greatest in the Caribbean's history of young revolutionaries and statesmen. Referring to the recently established Maurice Bishop Fund, (Rojas) said this is the manner in which Grenadians pay homage to their fallen leader and to the 19 October martyrs. He added that Grenadians living abroad had started several Maurice Bishop groups in various countries.

After giving an overview of Grenada's present economic, political, and social situation, (Rojas) said this present reversal would be temporary, because very soon his country would be liberated by a second revolution which, according to the laws of history, is inevitable.

Referring to the solidarity expressed around the world and especially in Cuba, (Rojas) said: [Begin (Rojas) recording] I would like to take this occasion to once again express our most sincere gratitude to Cuba for all of the help it has given and for the moral support it continues to give us in these difficult times. [end recording]

'REPRESSION,' CASUALTIES REPORTED IN HAITI

PA261620 Havana International Service in Spanish 0000 GMT 26 May 84

[Text] An undetermined number of people were either killed or injured as a result of the repressive actions unleashed by the Haitian Army against the people of the City of Gonaives, where a curfew has been imposed. The demonstrators were protesting against the government over the current food shortage. It has been learned that a military cordon has been established in that city, to which seven trucks loaded with soldiers and two helicopter gunships were deployed to suppress the local people's protests. According to the news reports, many citizens were detained, and the Haitian regime sent to that region a commission presided over by Public Works Secretary Alix Cineas.

HUNGER STRIKE ENDS, BOMBS EXPLODE IN CHILE

PA260213 Havana International Service in Spanish 1600 GMT 26 May 84

[Text] The seven Chilean miners who have been on a hunger strike for 26 days ended it on Friday after the Copper Corporation state enterprise agreed to reinstate them in response to popular pressure. Their voluntary fast began in Rancagua on 28 April. The seven miners, along with several thousand others, were dismissed in June 1983 for participation in a strike in support of union leader Rodolfo Seguel, who was under arrest at the time. Juan Barrientos, one of the hunger strikers, said that they now expect to be taken to a Rancagua hospital to recover, because they are in critical condition.

Meanwhile, it was reported that eight bombs went off in Santiago last night, causing considerable damage to offices, public services, businesses, and private homes. The bombs destroyed part of the lighting system, damaged the railroad that links Santiago to the port City of Valparaiso, and blew out the windows in a women's government organization building near the government palace.

It has also been reported that the Chilean Navy took delivery of the first of two submarines from the FRG purchased by the Augusto Pinochet regime.

COLOMBIA'S BETANCUR SENDS LETTER TO CHERNENKO

PA280131 Havana International Service in Spanish 1600 GMT 27 May 84

[Text] Colombian President Belisario Betancur has sent a letter to Soviet leader Konstantin Chernenko asking the USSR and the other socialist nations to rejoin the International Coffee Organization. Betancur said that the USSR can render a great service to the developing countries, which have suffered a grave decline in trade in the past few years and are carrying a heavy financial burden as a result of their high level of indebtedness and the current high interest rates.

In conclusion, the Colombian president said that the 42 countries that depend upon coffee for their survival view as essential the reincorporation of the USSR and the rest of the socialist states in the International Coffee Organization. This is a step, the letter stressed, that can lead to an increase in economic and trade relations.

COLOMBIA'S M-19, EPL PRESENT PEACE DOCUMENT

PA280058 Havana International Service in Spanish 1800 GMT 26 May 84

[Text] The Colombian guerrilla organizations known as the 19 April Movement, M-19, and the Peoples Liberation Army, EPL, have announced that they have reached a common stance on the peace negotiations with government representatives. EPL leader Oscar William Calvo said that a joint document issued by the two groups will be presented to the government and the Peace Commission for consideration. The media believe that an agreement between these two organizations and the Peace Commission could become a fact on Monday, the day on which the truce signed by the government and the Revolutionary Armed Forces of Colombia will take effect.

FARC Signs Truce

PA290411 Havana International Service in Spanish 1600 GMT 28 May 84

[Text] As of a minute after midnight today, Monday, the truce agreed upon by the Colombian Government and the Revolutionary Armed Forces of Colombia [FARC] went into effect. Last night, Colombian President Belisario Betancur ordered the Army to cease firing against this rebel organization, the oldest and largest in the country. Simultaneously, a document was issued bearing the signatures of the FARC General Staff and the leaders of its 27 armed fronts to show that they will honor the cease-fire, truce, and peace policy.

Monday was proclaimed a holiday in Colombia and demonstrations and other activities will be held in support of the peace agreement between the government and the FARC.

Over the weekend, two other rebel organizations, the 19 April Movement, M-19, and the Peoples Liberation Army, EPL, made a significant advance in their negotiations on establishing a truce with the government. Up to now only the National Liberation Army has refused to participate in any sort of negotiation. It insists that it will continue its armed actions.

PERVUIAN FLIGHTS BARRED FROM ENTERING U.S.

PA311630 Havana International Service in Quechua 2200 GMT 24 May 84

[Text] Once again Peru has suffered a U.S. aggression. The U.S. Civil Aeronautics Administration has barred entry to the United States to Peruvian flights. U.S. Government officials took this measure in response to Peru's attempt to introduce certain amendments into the new air traffic agreement that will be signed -- an agreement which only benefits the United States, in view of the fact that it contains stipulations that damage Peru. The U.S. Government is attempting to coerce Peru.

Peru's interior minister accused newsman Cesar (?Hidebran) of lacking journalistic ethics. The minister made the accusation after the television reported that the Sinchis, the antiguerrilla police body, was immoral and corrupt. The minister said that (?Hidebran's) report was true, but that it is very bad that the report was aired on a television program.

A Peruvian Senate commission has asked the authorities to conduct a thorough investigation of Peru's 25 state development corporations, their reported irregularities, and their multimillion-dollar expenditures and investments.

Thousands of peasants in Cuzco are demanding better prices for coca leaves.

Transportation Ministry workers at the Roadworks Department have announced that they will go on a collective hunger strike for better labor benefits.

PERUVIAN AIRLINE EMPLOYEES SEIZE AIRCRAFT

PA232227 Havana International Service in Quechua 2200 GMT 19 May 84

[Text] Three aircraft of the Faucett private airline have been seized by the airline's crew members at the Jorge Chavez International Airport in Lima, Peru. A group of pilots, stewardesses, and other airline employees have said they will not leave the aircraft until their demands for wage increases are heard.

The airline has been accused of bringing a Boeing 737 aircraft into Peru illegally, and of receiving financial support from the Peruvian Government.

PERUVIAN PEASANTS PROTEST FOR HIGHER COCA PRICES

PA261611 Havana International Service in Spanish 0000 GMT 26 May 84

[Text] The protest staged by some 15,000 peasants, who for the last 10 days have virtually kept the City of Cusco under siege to demand better prices for coca leaves, continues in Peru. The peasants, who are from the valleys of La Convencion and Lares, are demanding that those regions be declared coca-producing zones so that their crops -- the only ones possible in the arid lands they inhabit -- are not eradicated.

According to other reports, some 2,000 employees of the Lima municipality are today, Friday, in their second day of a strike to demand that the central government transfer the funds needed to pay them a salary increase that has already been granted to them.

Meanwhile, 14 drug traffickers who were serving jail sentences ranging between 15 and 20 years have escaped in Otuzco, in the northern part of the country. Police managed to recapture 5 of them, but it is believed that the others have reached the jungle area, where bands of Colombian and Peruvian drug traffickers operate.

PROTESTERS IN PERUVIAN CHURCH BEGIN HUNGER STRIKE

PA310443 Havana International Service in Quechua 2200 GMT 27 May 84

[Text] More than 100 peasants who had occupied San Pedro Church in Cuzco have begun a hunger strike, making labor demands on top authorities. In addition to this action, peasants of organizations of various leanings are involved in demonstrations and marches to express solidarity with their companeros demanding justice as well as better living conditions.

Miners of [name indistinct], which includes more than 700 miners, arrived in Lima, together with their wives and children, to ask the government for 10 months' back wages.

URUGUAYAN OPPOSITION TO HOLD DEMONSTRATION

PA232317 Havana International Service in Spanish 1800 GMT 23 May 84

[Text] Uruguayan opposition political forces and social organizations have called a national protest demonstration on 27 May to demand the reinstatement of democracy in the country. The demonstration will consist of banging pans, turning off lights, and holding rallies in 12 districts of Montevideo and other parts of the country, at which a declaration will be read. The opposition political forces are demanding the holding of truly free elections in November, the election of a constitutent assembly, and an amnesty for all political prisoners.

Meanwhile, in Montevideo it was learned that the commander in charge of the military post where Uruguayan physician Vladimir Roslik was held under arrest on 15 April -- who died the next day of a heart attack, according to the military authorities -- has been relieved of his duties. Roslik's widow asked some doctor friends to perform an autospy, and they discovered that Roslik had died from injuries that damaged his liver and kidneys and also found some strange liquid in his lungs that probably caused his death by suffocation. Surprisingly enough, Roslik's heart was in perfect condition, the autopsy showed.

SON VISITS URUGUAY'S TUPAMARO LEADER IN PRISON

PA210426 Havana International Service in Spanish 0000 GMT 21 May 84

[Text] Raul Fernandez Sendic, son of Raul Sendic, highest leader of the National Liberation Movement-Tupamaros Faction who has been imprisoned in Uruguay for nearly 12 years, told Radio Havana that his recent visit to Montevideo, where he met with his father, was largely due to the Brazilian people's solidarity.

Sendic's eldest son, 21, traveled to Uruguay some days ago accompanied by several Brazilian parliamentarians and personalities and succeeded in meeting with his father for 55 minutes through a glass and spoke to him over the telephone.

The entire conversation of Raul Fernandez and his father was witnessed and recorded by the prison guards.

Raul Fernandez has disclosed his father's delicate state of health. His father is held in a small cell in complete isolation from the other inmates of the Libertad Penitentiary. He is even kept separate from the other eight members of the same movement who are also held there.

Raul Sendic, who can speak only 1 hour every 2 weeks over the telephone with relatives, stands for long hours in his cell to make up for his inability to do some physical exercise. This effort aggravates the hernia he has been suffering from for years. Because of the gunshot wound he received in his face during his capture and the lack of opportunity for conversation, his face has continued to become deformed. All this, however, has not bent his iron will, his optimism, and his confidence in the future, as his son was able to confirm.

Finally, Sendic's son indicated that during his stay in Montevideo, where he met with Broad Front President Liber Seregni on two occasions, as well as with other personalities, Montevideo's streets were at all times covered with leaflets demanding the release of Raul Sendic and the other Uruguayan political prisoners.

PRESIDENT SEEKS AGREEMENT WITH OPPOSITION ON IMF

WA011230 Rome IPS in English 29 May 84

[Text] Santo Domingo, May 29 (IPS) -- Dominican President Salvador Jorge Blanco has opened talks with opposition forces to seek a united front on the issue of the Domnican Republic's suspended negotiations with the International Monetary Fund.

Jorge Blanco, who last week cut off talks with the IMF on the disbursement of $400 million under a loan agreement signed last year, started meeting with opposition figures, visiting them at their homes, last night.

The president met retired Gen Elias Wessin y Wessin, president of the Democratic Quisqueyano Party, Mario Castillo, who heads the National Progressive Force, and Hector Aristy of the April 24 Movement, according to officials. He also held talks with Senate President Jacobo Majluta, who leads the ruling Dominican Revolutionary Party, Santo Domingo Mayor Jose Francisco Pena Gomez and Fernando Sanchez, dean of the Autonomous University of Santo Domingo.

Blanco broke off talks with the IMF because the international organization wanted the Dominican Republic to import oil at the open market exchange rate rather than with currency set aside in the Central Bank at a cheaper rate, according to an administration spokesperson.

In his talks with political leaders, the president "stressed that the Dominican Republic spent $13 million on oil in 1966, and spending for 1988 will rise to about $500 million," according to an official statement to the press. Last year's oil bill was $440 million.

The president called for consensus among all sectors in the country to resolve the crisis.

The leftist opposition and trade unions are reportedly resisting some of the president's proposals. Leftist groups want the government to break with the IMF definitively and design a development program together with representatives of all Dominican political and social groups.

Juan Bosch, former president and leader of the Dominican Liberation Party, interpreted Jorge Blanco's efforts at consensus as an attempt to head off further violence such as the riots that erupted last month. More than 100 people died in protests staged after the government complied with some of the IMF's conditions, which resulted in price increases in many basic items.

Bosch charged that the administration intends to go ahead with the oil imports at the open market rate as soon as the opposition agress to the "national consensus."

Left Insists on IMF Break

WA011235 Rome IPS in English 30 May 84

[Text] Santo Domingo, May 30 (IPS) -- Leftist Dominican political parties said today they would not join economic negotiations with President Salvador Jorge Blanco unless the government breaks definitively with the International Monetary Fund.

The Dominican Government last week suspended talks with the IMF on 1984 disbursements of a $450 million loan granted to the country last year.

Riots erupted in this Caribbean nation late last month after the government imposed austerity measures in line with IMF conditions which sharply increased prices for many basic goods.

Blanco paid personal visits to political leaders' homes on May 28 to seek what he called a "national consenses" on the IMF issue. Those talks are continuing. Critics have charged that the president intends to continue the IMF arrangement anyway, and is only trying to avert further social unrest.

The leftist parties, the Dominican Workers' Party (PTD), Dominican Communist Party (PDC), the Socialist Bloc (BS), and the Anti-Imperialist Patriotic Union (UPA), asserted today that they will not sit down with Jorge Blanco until he breaks with the IMF. The parties said there are alternative ways of resolving the country's economic problems without the IMF.

Dominican officials suspended the IMF talks because the international lending agency is demanding that the country pay for oil imports with currency at the open exchange rate rather than the official rate. The Dominican peso is now at 2.75 per dollar on the open market, while the official rate is one peso to one dollar.

The leftist organizations said that Jorge Blanco's new round of political talks is only aimed at convincing other politicians and public figures that an IMF accord is crucial to the Dominican Republic's economy. They said they will not meet with the president because that would mean joining in a "political maneuver by Blanco."

The main trade union federations have called on the president to draw up a national development plan based on the Dominican Republic's human and material resources, rather than foreign loans.

Blanco, who is continuing his talks with politicians, religious leaders, newspaper editors, and public figures, says he is "satisfied" with the results of those meetings so far.

IMF TALKS SUSPENSION LEAVES POLITICS PARALYZED

WA011245 Rome IPS in English 29 May 84

[Text] Santo Domingo, May 29 (IPS) -- The Dominican Republic's decision last week to break off talks with the International Monetary Fund has left the country's political machinery in limbo. Meanwhile, the economic crisis is deepening. The on-again, off-again negotiations with the IMF fell apart after the IMF urged the government to raise gasoline prices.

This Caribbean nation's relationship with the Fund has become a symbol throughout the region of the hazards facing cash-short nations which turn to the Washington-based institution. Just last month, the government's decision to follow IMF recommendations to increase prices for basic foodstuffs sparked nationwide rioting, leaving at least 60 people dead, hundreds wounded, and over 4,000 arrested.

The Social Democratic administration of President Salvador Jorge Blanco quickly announced that the minimum wage would be increased from about $45 per month to $60. The trade union leadership responded that the wage rise was not enough to match the between 50 and 200 percent price increases.

The final blow to the negotiations over the second phase of a $450 million extended fund facility reached last year was the IMF demand that all petroleum imports be purchased at the parallel market exchange rate, rather than the official rate, about a 275 percent difference. The Dominican Republic spends about $440 million on oil imports each year.

President Jorge Blanco rejected the IMF demand and made the surprising announcement last week that negotiations with the Fund were suspended.

Meanwhile, the Dominican Republic is under siege from its worst economic crisis in 50 years, and an estimated 80 percent of its 5.6 million people lives in poverty.

With talks with the Fund now suspended, few analysts here know where the government will turn.

Santo Domingo Mayor Jose Francisco Pena Gomez yesterday called on the government to declare a "state of emergency" and a 15-year moratorium on payments of the country's $3 billion external debt. "There is no national solution to the economic and financial crisis," he said. "Coordination action on a continental level is needed to confront the international bankers to put conditions on those who are now putting conditions on us."

Joaquin Balaguer, the conservative former president and leader of the main opposition group, the Reformist Party, called the suspension "foolish." "That was not a wise move by the government. It is just a way to pressure the IMF so that it accepts conditions more favorable to the nation," he added. That view was echoed by Hugh Brache, president of the National Council of Businessmen. "I cannot believe that an intelligent people like the Dominican people are not already realizing what this means for us," he said.

The government move also drew fire from former President Juan Bosch, leader of the Dominican Liberation Party, who said the government should know that it "could not break" with the Fund.

But the suspension of talks has gained support from labor organizations and leftist groups, which argue that the IMF conditions are heavily biased against lower-income groups.

Thus, the Jorge Blanco Government appears to be in limbo. Until talks with the international banking community resume, the country can expect few loans or credits. The president is currently meeting with leaders of his own party and the opposition on the issue of what to do next.

BRIEFS

FLIGHTS TO CUBA PLANNED -- The administrator-general of Dominican Airlines has said the company is studying plans to make regular flights to Havana, Cuba. The planning is being worked out with the tourist agency Havanatour, and would include the Dominican airline transporting tourists from Spain, Italy, Germany and other European nations, who traditionally vacation in Cuba, to that country. [Summary] [Santo Domingo Radio Popular in Spanish 0930 GMT 30 May 84 FL]

GDR ENVOY PRESENTS CREDENTIALS, SPEAKS

FL302250 Bridgetown CANA in English 2210 GMT 30 May 84

[Text] Georgetown, Guyana, May 30 (CANA) -- East Germany does not believe that military means should be used to solve the Caribbean's and Central America's problems, non-resident ambassador to Guyana, Wernold Haenold, has said.

He said this was why East Germany had condemned last October's U.S.-led invasion of Grenada. Guyana had also condemned that invasion. He spoke about East Germany's stand while presenting his credentials to the Guyana Government. Like Guyana, East Germany condemned the "permanent aggression against Nicaragua" and endorsed the efforts of the Contadora Group, comprising Venezuela, Mexico, Panama, and Colombia, to establish a framework for negotiated peace in Central America, the ambassador said Saturday.

Ambassador Haenold, who is based in Brazil, said his country shared the concern of all countries which were suffering from the burden of international debt and was against the policy of an arbitrary increase in interest rates, which he said would impose further intolerable burdens on the economies of those countries.

CUBAN OFFICIALS CRITIZE IMF AT MEETING

FL311716 Bridgetown CANA in English 1655 GMT 31 May 84

[Text] Georgetown, Guyana, May 31 (CANA) -- The Communist Party of Cuba and the ruling People's National Congress (PNC) here have both criticised the International Monetary Fund (IMF), with whom Guyana is negotiating for balance of payments support, a government release said today.

The criticisms were made at the formal closing session of discussions between top officials of the two parties held at the PNC's headquarters at Sophia, on the eastern outskirts of Georgetown.

The three member Cuban team headed by Central Committee member Ursinio Rojas arrived here last Monday for talks aimed at strengthening cooperation between the two parties.

Minister of Education and Social Development Ranji Chandisingh said "the two sides have reached agreements which can promote the development of both countries," but he did not go into details. Chandisingh is also chairman of the sub committee for national orientation and international relations of the PNC.

He referred to the economic recession being experienced by the international community and said the "pre-conditions prescribed by international financial institutions for support, have caused extensive damage to economies and have aggravated the decline into new forms of economies of the developing countries."

Rojas denounced the policies of the IMF saying that the conditions prescribed by the fund "are humiliating." He called for a strengthening of friendship and collaboration between Third World countries.

On his talks with officials of the PNC, the Cuban party official said "there are great opportunities for increasing and deepening relations between Guyana and Cuba." The three man team leaves for home today.

ECUADOR

GOVERNMENT SUPPORTS 6-NATION PEACE DECLARATION

PA310452 Quito Voz de los Andes in Spanish 1130 GMT 30 May 84

[Text] The Ecuadoran Government has supported the joint declaration issued by the heads of stae of Argentina, Greece, India, Sweden, Tanzania, and Mexico asking the nuclear powers to end the arms race. The Foreign Ministry's general information office revealed that in the document Foreign Minister Luis Valencia Rodriguez stresses that Ecuador, following its tradition of abiding by the law, supporting peace, and being loyal to the principles that guide its foreign policy, which in this case include condemning the arms race, aggression, and occupation, and favoring a peaceful solution to problems, offers its total support to the declaration issued on 22 May to stop the arms race.

PARAGUAY

MINISTRY BANS SPORTS WEEKLY USING ABC JOURNALISTS

PY311515 Asuncion ULTIMA HORA in Spanish 30 May 84 p 10

[Text] The Interior Ministry this morning banned the publishing of the weekly EXTRA DEPORTIVO, which was published by the Azeta printing house, on the grounds that its journalists "are not sports newsmen" and that in its first public appearance it focused on political issues rather than limiting its commentaries to the field for which it had been authorized. The Interior Ministry's decision was conveyed to the publisher of EXTRA DEPORTIVO, Pablo Pereira, by Interior Under Secretary Dr Dario Filartiga, who summoned the former to his office for that purpose.

The resolution mainly questions the staff of journalists which is made up of Luis Alberto Mauro, Francisco Talavera, Christian Torres, Ricardo Caballero Aquino, Alcibiades Gonzalez del Valle, and Eduardo Baez [all former ABC COLOR journalists]. It was claimed that the above-mentioned journalists had never covered sports news. It was made clear that EXTRA DEPORTIVO will no longer be published by the Azeta printing house and that it will not be able to circulate unless it completely changes its staff of journalists. In order to reopen EXTRA DEPORTIVO, it was suggested that the weekly's publisher go to the Paraguayan Sports Journalists Association to hire professionals to cover and report on sports.

As is known, the first issue carried sports news which could have been referred to the courts like the communique issued by the Cerro Porteno [soccer club], news which was treated by the weekly with "suspicion and malice" and diverted to the political field -- although in a disguised manner -- giving rise to the above-mentioned official measure, the resolution says. Dr Filartiga stated "that the Interior Ministry officials had authorized the publication of the above-mentioned weekly because they felt that a sports magazine was necessary. However, they took advantage of our good faith."

URUGUAY

POLICE BREAK UP METALWORKERS DEMONSTRATION

PY010201 Montevideo Radio Carve in Spanish 0000 GMT 1 Jun 84

[Text] Serious incidents have taken place in front of the offices of the Chamber of Industries, where the police dispersed a demonstration that was being carried out by metalworkers.

Approximately 3,000 metalworkers were holding a demonstration demanding an increase in wages and the recognition of the labor associations. The police dispersed the demonstrators in the midst of serious incidents. For the time being no official information has been released.

VENEZUELA

AD PRESIDENT CONFIRMS PASTORA'S ARRIVAL

FA010217 Paris AFP in Spanish 0135 GMT 1 Jun 84

[Text] Caracas, 31 May (AFP) -- The arrival of Eden Pastora in Venezuela "is a fact," the president of the government's Democratic Action (AD) Party, Gonzalo Barrios, said here tonight. Barrios said that everything concerning Pastora's transfer to Caracas was done "directly." He noted that "Venezuela is pleased with his arrival."

The AD president, very close to President Jaime Lusinchi, was the first to confirm Pastora's trip to Venezuela, after spokesmen of the Miraflores presidential palace had denied it.

The guerrilla head of the Democratic Revolutionary Alliance (ARDE) will leave for Caracas in the next few hours if his physicians confirm that his physical condition permits it. Pastora will undergo surgery for wounds in his legs, suffered in the bomb explosion that tragically interrupted a news conference he was holding on the Nicaraguan bank of the San Juan River.

BRIEFS

NEW AMBASSADORS -- The following people have been appointed ambassadors: Demetrio Boesner to Romania, Lubin Chacon Escalante to Nicaragua, Francisco Quijada to Costa Rica, Jesus Elias Morell to Guatemala, Dinisio Marcano to Honduras, and Lucila Velasquez to Denmark. [Summary] [Caracas EL NACIONAL in Spanish 13 May 84 p D 2 PA] The Venezuelan Senate has approved the appointments of the new Venezuelan ambassadors to Canada, Mexico, Sweden, and to the ALADI. Guido Grosscors is the new ambassador to Mexico, Jose Maria Machin is ambassador to Canada, Antonio Jose Urbina is ambassador to Sweden, and Jesus Alberto Fernandez will represent Venezuela at the ALADI. [Summary] [Hamburg DPA in Spanish 0105 GMT 22 May 84 PA] The Venezuela Senate has approved the appointment of Mercedes Fermin, Luis Rodriguez Malaspina, and Enrique Peinado Barrios as Venezuelan ambassadores to the FAO, Ecuador, and Guyana, respectively. [Summary] [Caracas EL NACIONAL in Spanish 9 May 84 p D-16 PA]